



Country Commercial Guide 2006

United Kingdom

A message from Stephan Wasytko Senior Commercial Officer - U.S. Embassy London

I bid you greetings from the U.S. Commercial Service, the international business development arm of the U.S. Department of Commerce. With 107 U.S. Export Assistance Centers in the United States and more than 150 international offices, we are the U.S. Government agency that assists U.S. companies, particularly small and medium-sized, to sell their products and expand their business activities in the global market.

In the United Kingdom, we provide our clients with a wide range of business facilitation services, customized market research and business development support.

We believe that global competitiveness and economic development in the United States should be driven by the private sector. Therefore, our role as a U.S. Government agency is to provide our companies the support needed to identify business opportunities, gain market access and advance our U.S. commercial interests in the global market.

There are many factors that contribute to the extraordinary high level of trade and investment that exists between the U.S. and the UK, our number one export market in Europe. Our shared history, common language and similar cultures are all key elements in this special relationship. The open and receptive markets, as well as, the legal, social and tax structures that we have in place also serve our mutual interest in furthering business development between our two nations. All things considered, there really is no better market, nor better partner, than the UK for U.S. small and medium-sized companies seeking to expand their business to Europe.

My team and I sincerely enjoy working with our U.S. and UK clients in building new business partnerships that contribute to economic growth, prosperity, increased productivity and job creation in both of our countries.

For further information on our programs and services, contact your local U.S. Export Assistance Center or the U.S. Commercial Service in the UK at the address shown below:



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Doing Business In The United Kingdom

A Country Commercial Guide for U.S. Companies - 2006

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Chapter 1: Doing Business In The United Kingdom

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Market Overview

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The United States and the United Kingdom are often described as having a special relationship. While Winston Churchill may have originally coined this expression in reference to our military cooperation during the Second World War, it remains true today, and in both the private and public sectors. This relationship is the natural outcome of our common history and culture, our shared belief in the rule of law, our values for the ideals of democracy, freedom and tolerance, and our commitment to free trade and open markets.

All of these factors bind our two countries in many ways. Shortly after Winston Churchill first spoke about the special relationship between United States and the United Kingdom in 1946, he noted that “nothing can prevent our nations drawing ever closer to each other, and nothing can obscure the fact that, in their harmonious companionship, lies the main hope of the world for maintaining peace on earth and goodwill to all men.”

Our commercial ties represent one of the most important facets of this relationship. The level of bilateral trade and investment between our countries is strong and growing. Both our governments work to institute policies that will foster economic growth, encourage innovation and entrepreneurship, and promote free trade and fair competition. In addition, record numbers of people from the United States and the United Kingdom travel back and forth to study, work, visit, and learn about one another's country.

As a result, the United States continues to be the largest investor in the United Kingdom and vice versa. As of 2004, U.S. direct investment in the United Kingdom reached \$303 billion while the corresponding figure for the United Kingdom is now \$252 billion. Over the past three years, American investment in the United Kingdom has created over 60,000 new jobs. In fact, approximately one million citizens of the United Kingdom worked for American-owned companies in 2004 while an equal number of their counterparts in the United States have found employment in British-owned businesses. There are very few sectors in which foreign ownership is limited, and there is no restriction on the repatriation of capital and profit, although there are strict rules on transfer pricing.

Once here, American firms find it easy to use the United Kingdom as a gateway to the rest of the EU. The British Government supports the rights of any company registered in the United Kingdom, irrespective of the nationality of its ultimate parent.

The United Kingdom is very receptive to American goods and services. With a \$1.9 trillion GDP, the United Kingdom remains the United States' largest European export market and fourth largest export market worldwide, after Canada, Mexico and Japan. In 2004, the United States exported \$36.0 billion of goods to the UK, and imported British goods worth \$46.4 billion. Major exports from the United States to the United Kingdom in 2004 included: aircraft engines, pharmaceuticals, aircraft parts, IT equipment and parts, electronic components, aircraft, automobiles, telecommunications equipment and art.

The UK government's economic policies generally seek to sustain job creation. Specific measures have included tax reform; privatization of state-owned industries and utilities; deregulation of financial services, telecommunications and transportation; and labor law reforms. The United Kingdom has now signed the EU Social Chapter. As a result, the United Kingdom has adopted a number of new labor laws, including the working time directive, although derogating from certain parts of this. The government is, however, concerned about overall UK productivity, which lags behind the United States.

The UK economy has now enjoyed 53 consecutive quarters of GDP growth. The service sector in the UK accounts for about 75% of GDP, while manufacturing accounts for around 20%. The service sector continues to be more resilient than manufacturing, and it is this part of the economy that will account for the bulk of GDP growth this year.

UK government programs seek to advance science and technology. The United Kingdom is already a leader in virtually every advanced high tech sector from aviation to biotechnology and commits more than \$6.5 billion per year on basic research to maintain this lead. The UK government is also committed to making the UK a hub for e-business, and recent surveys have confirmed London as the e-capital of Europe. The UK's telecommunication services industry has been deregulated and, as a result, competition in Internet service provision and voice telephony is intense. Internet penetration, both in the home and in businesses, is higher than in most other EU countries, and mobile phone penetration is well above 50%. There has been no rush to embrace third generation (3G) mobile technology. Broadband, however, both wired and wireless, has had immediate acceptance. Regulatory pressure to unbundle the local loop has been successful and the UK now has more broadband connections than any other EU country.

ECONOMIC STATISTICS

-- UK GDP in 2004 = \$ 1,942 billion

-- UK GDP growth for 2004 was 3.1%. The British government expects GDP growth to have been 1.75% in 2005, and has forecast growth of 2 to 2.5% in 2006.

- The UK population is approximately 60 million people.
- UK per capita GDP = \$35,600. This figure, updated in December 2005 by the OECD, compares to the United States at \$39,700, the OECD countries at \$28,400, the EU-15 countries at \$31,700, and the Euro zone at \$30,600.
- UK government expenditure in 2004/5 was \$ 781 billion (about 40% of GDP).
- Foreign Currency Reserves: the UK Government's net foreign currency reserves as of the end of November 2005 totaled \$18.6 billion.
- Inflation: The UK government now uses the harmonized consumer price index (CPI) as its main measure of inflation. In November 2005 the CPI was 2.1%. The "old" retail price index (RPI), that includes housing costs, was 2.4% in November 2005.
- Employment: Current employment is 28.8 million, giving an employment rate of 74.7% of the total working age population. Current unemployment is 1.5 million, giving an unemployment rate of 4.9%, one of the lowest in the EU.
- Exchange rate: the exchange rate used in this Country Commercial Guide, unless otherwise indicated, is \$1= £0.5495. This is calculated from the average rate for the US dollar against the British pound during 2005 reported as £1 = \$1.82.

TRADE STATISTICS

- Total UK exports (goods) in 2004 = \$ 348 billion
- Total UK imports (goods) in 2004 = \$ 457 billion
- Total UK exports (services) in 2004 = \$ 188 billion
- Total UK imports (services) in 2004 = \$ 149 billion
- Total U.S. exports (goods) to the UK in 2004 = \$36.0 billion
- Total U.S. imports from the UK (goods) in 2004 = \$46.4 billion
- Total U.S. exports (services) to the UK in 2004 = \$ 40.1billion
- Total U.S. imports from the UK (services) in 2004 = \$ 32.9billion

Market Challenges

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The size, maturity and openness of the UK market are also its greatest challenges. U.S. companies seeking to enter this market, or expand their market share, face tough and well established competition from both domestic and third country competitors. Cracking the UK market is not the "slam dunk" that many exporters often imagine.

The top 14 best prospect sectors in the UK are:

- Aerospace
- Apparel
- Automotive parts and service equipment
- Computers and peripherals
- Cosmetics and toiletries
- Drugs and pharmaceuticals
- Education and training
- Medical equipment
- Pet products
- Pollution control
- Renewable energy equipment
- Safety and security equipment
- Telecommunications equipment
- Travel and tourism

Entry strategies will vary by the particular market in question. Since UK markets are highly developed and very competitive, new entrants will need a classic, sustainable competitive advantage such as cost (price) or differentiation (product quality, superior design or brand) to enter the market and stay in the game over the long term.

Market research is an essential element of an entry strategy anywhere in the world, but it is especially important in mature, sophisticated markets such as the United Kingdom. Exporters need to invest the time and money necessary to undertake a thorough assessment of their target sector. Such research should determine market size and growth, key segments and trends, distribution and channel economics (margin structure), competitors and their product positioning, pricing and promotion, and any market access or regulatory issues. Using this information is critical to planning and executing an appropriate and successful market entry strategy, and to setting realistic sales and profit expectations for the UK business.

In general, the best way to develop a market presence in the UK is to partner with experienced and established local representatives. In selecting a local representative, it is imperative, at a minimum, to initially visit the market and meet with potential partners on a personal basis.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/3846.htm>

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Using an Agent or Distributor

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National laws governing the relationships between agent and principal, and distributor and supplier are broadly harmonized throughout the EU. EU Directives establish the rights and obligations of the parties to an agreement, the agent's entitlement to commission payments, and the conclusion and termination clauses of agency contracts. In the case of EU agents and their non-EU principals, the law favors the agent to such an extent that most of those agency arrangements have been terminated in favor of reseller and distributorship arrangements.

Although there are few instances that specifically require the use of a local lawyer, contracts and agreements should be vetted by a competent attorney or firm conversant with UK and EU Law. While contract coverage is often similar, specific clauses and language can be considerably different from that in the U.S. Standard American contracts should not be used, as they are mostly unenforceable under UK law. Many U.S. law firms have either established their own UK offices or have links with local practices, and are often the most convenient and practical sources of legal advice for American companies. The Commercial Service in London can provide lists of local law firms, including those with U.S. links.

Establishing an Office

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Establishing a place of business or a branch office in the UK is a straightforward and inexpensive procedure, involving the notification of the parent company's registration details and the physical location of the UK place of business to the Department of Trade

and Industry's Registrar of Companies. The local branch of a foreign company can trade for up to one month before it is registered, using the permitted grace period.

Its UK-resident directors or company secretary may register a company, although using a local accountant or law firm for filing purposes may make the task even easier. Pre-registered companies can be purchased from company formation agents, allowing new-to-market companies to start trading with limited liability immediately. A company incorporated with limited liability must file annual returns, and incurs a local profit-related tax liability. A branch office, however, has no separate corporate identity from its parent and no separate accountability for taxation purposes. In all cases, expert assistance should be obtained to mitigate risk and to avoid potentially expensive mistakes.

Franchising

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Franchising accounts for approximately one third of UK retail sales in fast food and beverage services, hotels, car rental agencies, printing and copying, and auto services. North American-origin franchise systems operate in the UK, with more than 4,200 franchised units employing 35,000 staff, generating a turnover of \$1.5 billion. While there is renewed interest in franchising, the biggest barrier to growth is a lack of suitable single unit franchisees. A large up-front investment can often be an issue and may discourage the average British entrepreneur/investor.

The Office of Fair Trading (OFT) is the regulatory body that provides consumer protection in franchise operations. The OFT seeks to ensure that the franchise promotes a genuine product or service, and is not a pyramid-type sales scheme. Since the major UK banks recognize the value of successful franchise operations, they can evaluate the business prospects and local credit needs of franchise schemes, and can often provide advice and investor leads to U.S. franchise operators considering UK market entry. The market sometimes can be slow to adopt new ideas, and finding a suitable master franchisee can be a long process.

Direct Marketing

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Affordable transatlantic telecommunications and the use of electronic payment methods for international transactions have made direct marketing from the United States more popular. Public confidence in the accuracy of remote billing, data security, and delivery is increasing at a time when the Internet is an increasingly accepted marketing tool. These factors combine to make direct marketing of many types of goods and services worth considering. The recent enactment of the UK digital signature and data protection regulations will accelerate the use of the Internet as a sales medium. U.S. web-based marketers should be aware of the EU Value Added Tax Directive that requires service providers to collect Value Added Tax (VAT) on sales of services to consumers over the Internet after July 1, 2003. The VAT is currently 17.5%.

The EU Distance Selling Directive (97/7/EC) applies to most direct marketing activities.

The legislation requires that consumers be given clear and comprehensive information about the vendor and the goods or services offered. The directive also gives the consumer the right of withdrawal within seven days without penalty, and requires the vendor to refund any monies due within thirty days of the cancellation of an order.

The Advertising Standards Authority is the independent body set up by the advertising industry to police the rules laid down in the advertising codes. The strength of the self-regulatory system lies in both the independence of the ASA and the support and commitment of the advertising industry, through the Committee of Advertising Practice (CAP), to the standards of the codes, protecting consumers and creating a level playing field for advertisers

The Advertising Standards Authority (ASA) has established a code of practice for direct mail advertising and for list and database management. The Advertising Code can be found at <http://www.asa.org.uk/asa/codes/>. The Direct Marketing Association has done the same regarding direct selling. The industry code of practice for direct marketing can be obtained from the Direct Marketing Association at <http://www.dma.org.uk/content/Pro-Code.asp>. Addresses for these associations are listed in Chapter 9.

Joint Ventures/Licensing

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Joint ventures may be formed as limited liability companies or as equal or unequal partnerships. Consortia of companies formed to bid or manage specific projects usually use a British-registered limited liability company as the vehicle, to more easily rent or purchase local premises and assets, and to hire and manage a local workforce and support staff. No ownership or control restrictions apply to joint ventures in the United Kingdom.

Selling to the Government

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Most UK government departments and public bodies are subject to a range of EU procurement Directives and to the WTO Government Procurement Code, which gives qualified foreign bidders from signatory countries equal access to each other country's public sector contracts. Urgency or national security considerations can be used to justify procurements outside WTO rules. Intended procurements above the EU public procurement thresholds are published in the Official Journal of the European Union (OJEU), and in specialized industry-specific publications. Smaller procurements do not need to be published.

Information on specific tenders may be found using the Tenders Electronic Daily service, accessible via the U.S. Mission to the EU (www.buyusa.gov/europeanunion/) or at <http://ted.publications.eu.int>

The Ministry of Defence (MoD) publishes information on its future projects and

procurements in a biweekly Defence Contracts Bulletin, which is available to U.S. subscribers online (www.contracts.mod.uk). Nonetheless, most U.S. defense companies require more lead-time than the bulletin provides, and need detailed guidance on the procedures and bid evaluation criteria used in this sector.

To remedy this, the Embassy's Office of Defense Cooperation (ODC) has prepared a handbook of unique insights and case studies in UK defense marketing for U.S. companies. The handbook is routinely updated to incorporate changes in UK defense procurement policy, procedures and organization.

The handbook is a briefing tool that supplements the practical advice that can be obtained directly from the ODC in London. This advice includes insight, guidance, and advocacy in support of U.S. defense contractors competing for sales and cooperative development programs for military equipment and services, including missiles and defense systems, munitions, sensors, ships, aircraft and helicopters.

The ODC in London can be contacted on (tel.) 44-20-7894-0737, (fax) 44-20-7514-4634 or odclondon@state.gov

Larger defense contracts awarded to non-EU contractors require the negotiation of industrial participation (IP) i.e., offset arrangements. The IP arrangements are separate from the procurement contracts, but administered by the MoD's Defence Export Services Organization (DESO). Further information and guidance on IP from DESO can be found at www.deso.mod.uk/ip.htm

Distribution and Sales Channels

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Dedicated sales and distribution channels, ranging from wholly owned subsidiaries of foreign manufacturers to independent trading companies that buy and sell on their own account, have evolved for most imported products and services. Between these two extremes are independent resellers, sales agents, and stocking distributors that have contractual relationships with their suppliers. The selection of an appropriate marketing organization depends largely on the nature of the goods and services involved. One recent channel marketing development, responding to the expanding requirements of international e-commerce, is the growth of local fulfillment and delivery/returns services.

Selling Factors/Techniques

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EU law implemented by national legislation governs exclusivity in agency and supply agreements, purchasing contracts, and contract terms. U.S. manufacturers and exporters are generally able to appoint exclusive representatives and to determine the methods used to promote the sale of their products. Such exclusive territories are usually national in size.

Sales practices that give regulatory concern are those that could give an unfair

advantage to the supplier at the expense of competitors or end users. Recent legislation exempts some vertical agreements between manufacturers and their resellers, but requires the disclosure of certain types of inter-company commercial arrangements, and also gives powers of investigation and enforcement to the regulatory authorities.

Electronic Commerce

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Search Engines:

Listing a U.S. company on UK search engines in order to sell on the Internet is exactly the same as in the United States. Generally you have to follow a link into the "About us" side of the website and look for a link saying "either submit your site" or "add URL". The most popular search engines are:

Google	www.google.co.uk
Ask Jeeves	www.ask.co.uk
Lycos	www.lycos.co.uk
Alta Vista	www.altavista.co.uk
LookSmart	www.looksmart.co.uk
Yahoo!	www.yahoo.co.uk
MSN	www.msn.co.uk

Domain Names:

It is not essential for a site to have the domain of the United Kingdom, but a "local" site is seen as a plus by many buyers. The domain suffixes ".co.uk", ".uk.com" and ".org.uk" are easily obtained. In order to qualify for the ".ltd.uk" and ".plc.uk" a company must be either a limited or public liability company.

Digital Signatures:

The EU law concerning electronic and digital signatures takes the form of the 1999 Electronic Signatures Directive, whilst in UK law the relevant implementing legislation is the Electronic Communications Act 2000 and Electronic Signatures Regulations 2002.

The Electronic Communications Act 2000 provides:

- the government with powers to introduce a voluntary accreditation scheme for businesses which offer encryption and digital signature services.
- the government with powers to amend references to 'writing', 'signatures' and 'paper' in existing legislation to make it clear that these requirements may be met electronically.
- that e-signatures are admissible in legal proceedings, although the weight given to them will depend on the technology used.

The Electronic Signatures Regulations 2002 require:

- the Secretary of State for Trade and Industry to keep a public register of 'certification service providers' (CSPs) who purport to offer 'qualified certificates'. A certificate is defined as an electronic confirmation that a particular e-signature belongs to a named individual. A qualified certificate is one that meets certain standards set out in the Regulations. CSPs purporting to offer such certificates must adhere to both the applicable standards for these certificates and those in respect of their own conduct. The Secretary of State is obliged to publicize any failure to meet these standards that comes to her attention.
- CSPs issuing or guaranteeing qualified certificates to the public liable to anyone who suffers a loss as a result of reasonably relying on such certificates (unless the CSP can prove that it was not negligent) and provide that CSPs based in the UK can obtain only such personal data as they need to issue a certificate from the relevant data subject. They may only process this data to the extent necessary for issuing a certificate.

In practice, however, the impact of the legislation to date has been minimal. The Directive introduces a special category of 'advanced electronic signatures' (AESs), largely equivalent to digital signatures, which must be treated as the equivalent to handwritten signatures, but it appears that neither a UK- nor a Commission-endorsed AES is yet available. In any event, the UK government has chosen not to introduce specific legislation implementing the section of the Directive which provides that an AES must be treated as the equivalent of a handwritten signature as the government believes that a court would already have to give an e-signature meeting the requirements for an AES evidential weight equal to that of a handwritten signature.

The UK government has not yet exercised its powers to introduce a voluntary accreditation scheme for CSPs, as it currently considers the industry self-regulated "tScheme" to be sufficient, and has used its powers to amend legislation relatively rarely e.g. to permit the filing of company documents electronically and the issuing of electronic prescriptions for medicines. With regard to CSP liability, while the Directive provides that a CSP has prima facie liability for its qualified certificates, it also permits a CSP to limit the purposes and, in particular, the value of transactions for which its qualified certificates may be used. The UK has not implemented this right to limit liability, since the government believes that a CSP can already do so, subject to applicable laws on exclusion and limitation of liability.

However, it is clear that the EU sees the role of e-signatures continuing to grow, as demonstrated in the 2001 Invoicing Directive, implemented in the UK by the Value Added Tax (Amendment) (No. 6) Regulations 2003 on 1 January 2004. This allows for electronic invoicing provided that:

- the customer accepts the electronic invoice;
- the authenticity of the origin and the integrity of the contents of the invoice are guaranteed either by using an advanced electronic signature, or Electronic Data Interchange (EDI);
- all Member States accept these two methods whilst permitting Member States to also accept other means of e-invoicing for supplies on their territory, and not imposing the requirement of authenticity of origin and integrity of contents. In the UK, this means that, as HM Customs and Excise has allowed unsigned fax and

e-mail invoices and the posting of invoices to a website for UK domestic transactions, that these practices may continue. However, if the invoice prepared by a UK company, such as an FE or HE institution, relates to a transaction in another Member State's territory (e.g. France), the French authorities must also have adopted the UK position. If French VAT law does not allow e-mail invoicing (and it doesn't), the e-invoice prepared by the UK company will need to be compliant with the French VAT rules.

VAT on Electronically Supplied Services:

U.S. businesses that supply services online from the United States to the EU must charge Value Added Tax (VAT) on those services at the rate prevailing in the country of the end-user. The U.S. exporter must then account for that VAT to EU authorities. The UK has a special scheme for non-EU businesses that allows them to comply with the VAT on E-Commerce Directive. Details of the scheme and how to use it can be found at:

http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageLibrary_PublicNoticesAndInfoSheets&propertyType=document&columns=1&id=HMCE_PROD1_024711

Trade Promotion and Advertising

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While trade promotion practices in the UK are similar to those in the U.S., printed materials prepared for use in the U.S. market may need to be modified for use in the UK to account for local legal, cultural, spelling and other differences. In addition to advice that the U.S. Commercial Service offers, local advertising agencies and marketing consultants can provide appropriate professional guidance. Also, the Advertising Standards Authority, an independent body set up by the advertising industry, oversees the practices of the advertising industry and enforces the provisions of the British Code of Advertising Practice (CAP). Advertisers should become familiar with CAP recommendations. The link to the Advertisers Standards Authority and the CAP is as follows: http://www.asa.org.uk/asa/codes/cap_code/

The leading British daily newspapers are:

The Times (www.the-times.co.uk)
The Daily Telegraph (www.telegraph.co.uk)
The Guardian (www.guardian.co.uk)
The Independent (www.independent.co.uk)
The Financial Times (www.ft.com)
Daily Mail (www.dailymail.co.uk)
Daily Express (www.expressnewspapers.co.uk)
Sun (www.the-sun.co.uk)
Mirror (www.mirror.co.uk)
Metro

Sunday newspapers:

Sunday Times (www.sunday-times.co.uk)
Sunday Telegraph (www.telegraph.co.uk)
Observer (www.observer.co.uk)

The London Gazette, Edinburgh Gazette and Belfast Gazette (www.gazettesonline.co.uk) are the official journals of the UK, but these are less widely used for formal notices than the Official Journal of the European Community (OJEC).

Popular Business Journals:

The Economist (www.economist.com)
Investors Chronicle (www.investorschronicle.co.uk)

In addition, global publications such as The Wall Street Journal, Business Week and Industry Week are widely read.

Pricing

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Import prices should be based on the landed cost, including value added tax (VAT), which is payable on entry into the EU. The basic “mark up” formula is cost, insurance, freight and duty, plus VAT of 17.5% levied on the aggregate value; this sum is the exporter’s “landed cost, duty paid.” End-user pricing should include local storage, delivery, sales and support costs, as well as the profit for distributors, wholesalers and retailers. The formerly practiced “Resale Price Maintenance”, where manufacturers set a mandatory retail price and prevented retail discounting is now illegal. However, exporters should examine the prices of competitive products or services at the end-user level to ensure that their offering is valued and priced correctly, and that margins, after all the above costs, provide an adequate return for the business. Traditional pricing methods have led to the acceptance of higher prices and profit margins than is customary in the U.S., because the UK market for any product is generally smaller than that of the U.S. The cost of sales in the UK is recovered from the smaller sales volume, and the local vendor generally bears the expense of promotion and support.

Sales Service/Customer Support

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There are independent after-sales, warranty and product servicing organizations in the UK. Most specialize in a single business sector, but a few major firms operate nationwide, providing a comprehensive maintenance and facilities management service. The leaders in this sector are Serco, Jarvis, AMEC and Planned Maintenance Ltd. The smaller service companies that provide local coverage can be identified from business directories, the Internet, and from listings held by local trade associations.

Protecting Your Intellectual Property

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Creative industries relying on Intellectual property are a key component of the UK economy. According to the UK Department of Industry and Trade, they account for 8 percent of the UK's GDP. The music industry accounts for 130,000 jobs and the film sector includes an additional 50,000 employees. The UK government recognizes the importance of protecting the intellectual property of its citizens and fighting IP piracy.

The UK's Entertainment and Leisure Software Publishers Association estimates that over £2 billion is lost every year by UK industry to games software counterfeiters. The British Phonographic Industry reports that in the UK alone, commercial piracy grew by 81 percent between 2002 and 2004.

In 2003, as part of the UK government's Innovation Review, the UK Patent Office was charged with developing a new strategy to combat IP crime. To accomplish this, the Patent Office established an IP Crime Group in 2004, bringing together law enforcement, customs, and IP stakeholders. The IP Crime Group was charged with:

- Bringing together government policy-makers, industry stakeholders, and enforcers, to create a coordinated approach to intellectual property enforcement;
- Establishing a strategic and tactical picture;
- Identifying areas of threat and specific harm;
- Supporting training for enforcement officers;
- Bringing together local, national and international partners; and
- Raising consumer awareness.

The IP Crime Group published its first annual enforcement report in 2004. The report, while pointing out weaknesses in its methodology due to a lack of information, found that over 50 million counterfeit items worth £534 million had been seized in the UK in 2004. Anti-counterfeiting operations have taken place with the cooperation of law enforcement and industry organizations.

The UK also established a Creative Industries Forum, chaired by the Arts and the Science and Innovation Ministers. Like the IP Crime Group, it has stakeholder representation from such sectors as film, music, publishing, design and computer programming. The Creative Industries Forum also has representatives from Internet service providers, telecommunications companies, computer manufacturers and consumer groups. The Forum established three working groups on education and communication, business opportunities, and IP crime and on-line infringement.

The UK legal system provides a high-level of intellectual property rights (IPR) protection. Enforcement mechanisms are comparable to those available in the United States. The UK is a member of the World Intellectual Property Organization (WIPO). The UK is also a member of the major international intellectual property protection agreements: the Bern Convention for the Protection of Literary and Artistic Works, the Paris Convention

for the Protection of Industrial Property, the Universal Copyright Convention, the Geneva Phonograms Convention, and the Patent Cooperation Treaty.

Patents: Under the Patents Act of 1997, a patent application requires that an invention must be new, involve an innovative step, and be capable of industrial application. A patent cannot be granted for any invention used for any offensive, immoral or antisocial purpose, for any variety of animal or plant, or for a biological process used in its production.

Copyright: The Copyright, Designs and Patents Act of 1988 grants the originator the exclusive right to assign these rights or to exploit them through copying, dissemination, publication or sale. Computer programs and semiconductor internal circuit designs are included as works that are protected by this Act. Under the terms of an EU Directive, which took effect in January 1998, databases are also protected in each EU-member country by the national legislation that implements the Directive.

Trademarks: The Trademarks Act of 1938 prohibits the use of a mark identical to, or nearly resembling a trademark registered by another person or legal entity. A trademark may be removed from the register if a period of five years has elapsed, during which time there has been no bona fide use of the trademark in relation to the goods by any proprietor. A trademark may be registered within more than one class, the registrations being associated or linked. The same trademark may not be registered by more than one company, irrespective of the number of classes in which it is registered.

Trade Secrets/Confidential Test Data: Commercially sensitive information is not itself specifically subject to legal protection, but the misappropriation of such information from business premises may be subject to criminal law. Action under employment law may also be taken against an employee who, by disclosing information, breaches a contract with his or her employer. In addition, confidential test data, submitted in conjunction with a registered application for pharmaceuticals or veterinary products, enjoys ten years of exclusive protection from the date of authorization, provided the product is marketed in the UK.

Common law prevails in the UK as the basis for commercial transactions, and the International Commercial Terms (INCOTERMS) of the International Chambers of Commerce are accepted definitions of trading terms. Accounting standards and audit provisions used in the UK are the SSAP Standards of the Accounting Standards Board (www.asb.org.uk). U.S. exporters and investors will find little or no difference between the United States and the UK in the conduct of business.

Due Diligence

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Banks, accounting firms, credit agencies and risk management companies provide a full range of reporting services that U.S. companies can use as part of their due diligence before signing a local partner. Service providers include the UK subsidiaries of the American-owned Dun & Bradstreet, Equifax, and Infocheck. The U.S. Commercial Service provides International Company Profile (ICP) background checks in the UK, and

these can be useful as part of a U.S. company's wider due diligence activities.

Local Professional Services

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The UK has a highly developed professional services market that is well regulated. A wide variety of service providers is available to support U.S. companies doing business in the UK, from the largest global firms to small niche players.

The U.S. Commercial Service UK website (below) lists various professional service providers and additional information is available upon request.

Web Resources

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Web resources are as follows:

www.buyusa.gov
www.export.gov
www.buyusa.gov/uk/en

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

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Agricultural Sector

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Aerospace

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	26,870	27,060	27,950
Total Local Production	30,450	30,820	31,670
Total Exports	18,270	19,410	19,000
Total Imports	14,690	15,660	15,280
Imports from the U.S.	4,530	4,200	4,580

(Unofficial Estimates)

The UK's aerospace manufacturing industry is currently the second largest in the world with an estimated turnover in 2005 of \$31.7 billion. The United Kingdom is, however, a net exporter of aerospace products and so the UK market is slightly lower at \$28 billion. The industry is directly responsible for maintaining around 150,000 jobs in the UK, and accounts for over four percent of UK manufactured output. Around half of the sector is defense-related, a larger proportion than had been the case five or more years ago.

Consolidation within the industry continues, with BAE Systems and others opting to focus on military programs, to the extent of full or partial withdrawal from other business lines. In part, this has enabled the Italian company Finmeccanica to gain an increasing foothold in the UK market, not least through its subsidiaries AgustaWestland and Selex. Similar growth in the UK has been evident amongst other leading European firms, namely EADS and Thales. Strong prospects for U.S. exporters nevertheless remain, particularly as the UK seeks to invest in areas that include systems integration, ISTAR and defense electronics.

The UK is consistently ranked as one of the top five markets for U.S. aerospace products.

Best Products/Services

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Civil Aerospace

There is a consistently strong demand for aircraft parts and components for maintenance and repair operations (MRO). In addition, the competition for passengers in a depressed market has generated demand for in-flight entertainment equipment. A new generation of products – including personal distributed video, audio/video-on-demand, in-flight satellite television and in-flight internet – are giving airlines the opportunity to make a difference in an area where until now, most airline services had become indistinguishable. In a similar vein, this need to differentiate and brand airlines has created opportunities for aircraft reconfiguration and cargo capacity.

Another factor is the UK government's commitment to increasing airport capacity. Terminal expansions and additional runways have been proposed throughout the country, with substantial redevelopment also planned at London's Heathrow Airport. While at an early planning stage, there will be considerable demand for airport equipment over the next 5 to 10 years.

Regional airlines continue to expand their networks, and the business and charter aircraft markets are also considered buoyant. In combination with the UK's Sustainable Aviation Strategy and the application of the European Union's Emissions Trading Scheme to aviation, notable opportunities exist in the propulsion sector, not least for low-emission equipment.

The commercial air transport industry has shown clear signs of resumed growth, with passenger numbers increasing, though challenges to the industry remain, not least in the form of high fuel costs. Regional airlines and low-cost carriers have emerged strongly from the difficult business conditions experienced in the sector during 2001-2004.

In addition to air transport, the UK general aviation market has in recent years become an increasingly developed market, and is worth around \$4.0 billion annually. A number of U.S. companies are already well placed as suppliers of spare parts and aftermarket equipment, including GPS equipment and other navigational aids.

Military Aerospace

As the Ministry of Defence gives ever-greater emphasis to acquiring the systems necessary for a Network Enabled Capability (NEC), the key to success for those seeking UK contracts will often involve systems integration experience, particularly with cutting-edge data links and software-related data fusion capabilities. Similarly, there are clear opportunities for the provision of simulation and training services, following on from projects that include the tri-service Military Flying Training System and the UK Combined Arms Tactical Trainer. The introduction of new aircraft, including the WAH-64 Apache and A400M will also generate simulation, training, and related support requirements

Across both the civil and military sectors, the National Aerospace Technology Strategy identifies a number of priority areas for research and investment over the coming years. A number of technologies are highlighted, and these include: aerodynamics, computational fluid dynamics, environmental technology (especially for propulsion systems), sensor technology, advanced materials (particularly composites), autonomous systems, synthetic environments and simulators, and air traffic management systems. With EU and UK government funding, it is anticipated that these will soon be recognized as key areas of activity, and should be considered strong opportunities for U.S. companies with expertise in these fields.

Although the civil aerospace sector had traditionally been considered the key driver of growth in the industry, in recent years a series of major military development projects have generated significant opportunities in the defense sector. However, procurement has been affected by government censure of cost overruns on selected programs, and the rising proportion of defense funds being allocated to meet operational and manpower costs. Nevertheless, the UK commitment to high-technology defense solutions – namely, the pursuit of Network Enabled Capability – remains.

The impact on the defense sector of operations in Iraq and Afghanistan is difficult to quantify. The importance of acquiring enhanced surveillance/reconnaissance assets, not least UAVs, has been underlined, as has the requirement for improved strategic airlift capability. The acquisition of C-17 aircraft, and the significance attached to the Watchkeeper UAV program, appear to confirm this trend.

Certain opportunities within the space and satellite sector are also anticipated as a result of the continued improvement of military communications and surveillance, although many leading projects in this area – such as Bowman – are already well underway.

Valid opportunities exist for companies to supply a wide range of goods and services to the Ministry of Defense (MOD), by competitive tender and through the Government's Private Finance Initiative (PFI) and Public/Private Partnership (PPP) Schemes. One particular development is the public-private lease arrangements, which will allow the RAF to lease operational hours without owning the airframe. To date, PFI and PPP have typically been applied in areas that include training, infrastructure, and defense services.

Resources

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Upcoming Events

London Air Show
Earls Court, London
April 21-23, 2006
www.londonairshow.co.uk

Farnborough International
Farnborough, England
Trade Days: July 17-21, 2006 / Public Days: July 22-23, 2006
<http://www.farnborough.com/>

Trade Associations

Society of British Aerospace Companies (SBAC)
Duxbury House
60 Petty France
London SW1H 9EU
Tel. 011 44 20 7227 1000
Fax 011 44 20 7227 1067
www.sbac.co.uk

Airport Operators Association (AOA)
3 Birdcage Walk
London SW1H 9JJ
Tel. 011 44 20 7222 2249
Fax 011 44 20 7976 7405
www.aoa.org.uk

British Business and General Aviation Association (BBGA)
19 Church Street
Brill
Aylesbury HP18 9RT
Tel. 011 44 1844 238020
Fax 011 44 1844 238087
www.bbga.aero

Government Departments

Civil Aviation Authority (CAA)
CAA House
45-59 Kingsway
London WC2B 6TE
Tel. 011 44 (0) 20 7379 7311
www.caa.co.uk

Department of Trade and Industry (DTI)
1 Victoria Street
London SW1H 0ET
Tel. 011 44 20 7215 5000
http://www.dti.gov.uk/sectors_aerospace.html

Department for Transport (DfT)
Great Minster House
76 Marsham Street
London SW1P 4DR
Tel. 011 44 20 7944 9643
www.dft.gov.uk

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Email: Jestyn.Cooper@mail.doc.gov

Apparel

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	43,200	44,000	44,800
Total Local Production	27,000	21,900	21,200
Total Exports	8,400	8,000	7,900
Total Imports	24,600	30,100	31,500
Imports from the U.S.	1,200	1,700	1,900

(Unofficial Estimates)

The UK retail clothing sector was valued at \$44 billion in 2004, with women's, girl's and children's clothing accounting for 69% of this market. Women's wear alone reached \$19.8 billion, or 45% of the market in 2004, and industry analysts predict it will grow another 2% per year through 2007. Whereas the 1980's and 1990's saw a decline in the proportion of disposable income spent on clothing, this trend reversed in the early 2000's with apparel spending exceeding the overall increase in consumer expenditures.

The number of women who work full time and need wardrobes for both the office and leisure continue to drive apparel sales. Dresses, skirts, and pants account for more than half of the women's wear market.

The U.K. men's wear market was less than half that of women's wear. Trousers were the leading revenue source, accounting for 44.3% of the men's wear market, followed by suits with 19%. While younger men increasingly shop for wide ranges of casual clothing at retailers such as Gap, older men continue to use traditional chains like Marks and Spencer or department stores. The more traditional male shoppers also often prefer to purchase their casual clothing from superstores while shopping for other items such as food or appliances, or to let their partners make their purchases.

Younger men are becoming more brand-aware than ever before. This trend has been fueled to a great extent by the broad range of men's lifestyle magazines that hit the newsstands in the late 1990s. The substantial advertising in these publications has heavily influenced interest in designer brands and couture.

The clothing market's distribution channels will continue to polarize between discount retailers and outlets specializing in premium-priced designer clothing, putting further pressure on mid-market retailers such as Marks and Spencer. However, the greatest threat to established clothing retailers will come from grocery stores, which are increasing market share and already opening chains of non-food stores to sell clothing.

Best Prospects/Services

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Manufacturers of all types of apparel, especially men's casual wear, will find opportunities in the UK. Prospects for 'vintage' designer items for both men and women are also quite good.

Resources

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Upcoming Events

Pure - Womenswear
Olympia, London
February 12 –14, 2006
August 2006 TBD
www.purewomenswear.co.uk

Moda - Menswear
National Exhibition Center (NEC), Birmingham
February 19 – 21, 2006
August 2006 TBD
www.modamenswear.co.uk

Trade Association

British Textile and Apparel Confederation (BATC),
5 Portland Place
London W1B 1PW
UK
Tel: 011-44-20-636-77-88
www.batc.co.uk

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Fax: 011-44-20-7408-8020
Email: Marcella.Marcheso@mail.doc.gov

Automotive Parts and Equipment

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	24,400	24,800	24,600
Total Local Production	17,700	17,200	17,300
Total Exports	8,500	8,400	8,500
Total Imports	15,200	15,000	15,800

Imports from the U.S.	420	510	450
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(Unofficial estimates; Note: the local production figures exclude OEM parts made by the automobile manufacturers for use in the vehicle production process, but includes aftermarket service revenues from inspection and fitting.)

There are approximately 27 million cars, vans, and trucks registered in Britain, with 2.5 million existing vehicles replaced by new vehicles each year. Sales of new vehicles generally exceed those retired from service in most years, so there is a small annual increase in the vehicle 'parc' (i.e., the base of registered vehicles in the UK).

Maintaining these 27 million vehicles gives rise to the annual \$24.5 billion parts and components aftermarket. Sales of spare parts and materials constitute 35% (roughly \$8.5 billion) of this total, and sales of related inspection and fitting services constitute 65% (roughly \$16 billion).

Historically, most of the motor components used by vehicle producers in the UK have been locally manufactured, but the major car companies are lessening their reliance on local production, and now source much of their components and assemblies needs from lower cost countries in Europe (including Central and Eastern Europe) and the Far East. This trend has put considerable pressure on all of the international parts suppliers, in the U.S., in Western European countries, and in the UK, to retain their market share.

Best Prospects/Services

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U.S. exporters should explore opportunities for sales of test and inspection equipment for use in garages and service stations that are authorized to undertake the increasingly stringent annual checks mandated by legislation. This included laser and optical alignment systems, and diagnostic equipment for engine, fuel, emission and electronic systems, used in more specialized service and repair facilities. Performance parts, in-car entertainment, security and safety systems, and car care products all have potential. Vehicle-specific accessories are not universally accepted, as (except for 4x4 and SUVs) there are comparatively few American-built cars registered in the UK. This is largely because Britain still drives on the left, and has a road system designed for smaller vehicles.

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Upcoming Events

Autosport International
National Exhibition Centre, Birmingham
January 12-15, 2006
www.autosport-international.com

Commercial Vehicle Show
National Exhibition Centre, Birmingham
April 25-27, 2006
www.cvshow.com

British International Motor Show
ExCel, London
July 20-30, 2006
www.britishmotorshow.co.uk

Trade Associations

The Society of Motor Manufacturers & Traders
Forbes House
Halkin Street
London
SW1X 7DS
Tel: 011 44 20 7235 7000
Fax: 011 44 20 7235 7112
www.smmt.co.uk

The Motorsport Industry Association
Federation House
Stoneleigh Park
Warwicks CV8 2RF
Tel: 011 44 2476 692 600
Fax: 011 44 2476 692 601
www.the_mia.co.uk

The Garage Equipment Association
2-3 Church Walk
Daventry NN11 4BL
Tel: 011 44 1327 312616
Fax: 011 44 1327 312606
www.gea.co.uk

Government Departments

Department of Trade and Industry (DTI)
1 Victoria Street
London SW1H 0ET
Tel: 011 44 20 7215 5000
www.dti.gov.uk/sectors_automotive.html

Department for Transport (DfT)
Great Minster House
76 Marsham Street
London SW1P 4DR
Tel: 011 44 20 7944 9643
www.dft.gov.uk

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Fax. 011 44 20 7408 8020
Email: Colin.moore@mail.doc.gov

Computers and Peripherals

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	12,540	12,970	13,500
Total Local Production	9,390	9,780	9,500
Total Exports	12,140	12,700	12,500
Total Imports	15,290	15,890	16,500
Imports from the U.S.	6,840	6,930	7,100

(Unofficial Estimates)

The United Kingdom is a technically sophisticated market and there is healthy competition between all of the major U.S. computer manufacturers. Local systems builders are well represented, maintaining strong market shares in certain sectors. In several key segments the UK is the international market leader. For instance, Symbian is leading the way in next generation embedded operating systems. The UK is also experiencing increased growth in the PC sector. The key drivers are the rapid development of broadband services and the increasing adoption of imaging technologies.

The surge in popularity of digital imaging is also driving a thriving market in storage, from flash memory cards, to RAM and hard disk storage (USB, FireWire and SATA). Sales of portable PCs of all descriptions are increasing, and this is fuelling the demand for wireless capabilities – 802.11, Bluetooth, and cellular mobile data access (GPRS & 3G). The demand for greater access and flexibility is in turn driving the growth in remote access technologies such as VPN's and the security solutions to protect them.

A considerable amount of computer equipment is transshipped through the UK, resulting in export figures exceeding local production.

Best Prospects/Services

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WiFi and Bluetooth products – Consumers are increasingly using Bluetooth to expand the connectivity of their computer systems. Printing, storage and modem connectivity appear to be the most active market sub-sectors.

USB memory devices – UK consumers are buying increasing numbers of USB memory devices to facilitate data storage and transfer. In many cases they are used exclusively in place of CD-ROM, DVD or floppy disks.

Mobile computing devices – The market in PDA's, Smartphones and MP3/Data storage solutions is expanding rapidly.

VOIP – The major players - i.e. Vonage and Skype - are very active creating a market for VOIP services. Companies supplying the peripherals or competing products should find a receptive market.

Note: provided equipment meets IEEE published standards, CE marking is likely to be the only regulatory requirement for consumer sales.

Resources

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Upcoming Event

Infosecurity Europe
Olympia, London
April 25-27, 2006
www.infosec.co.uk

Trade Associations

Intellect
Russell Square House
Russell Square
London WC1B 5EE
Tel: 011 44 20 7331 2000
Fax: 011 44 20 7331 2040
www.intellectuk.org

The British Computer Society
1 Sanford Street
Swindon
Wilts SN1 1HJ
Tel: 011 44 1793 417417
www.bcs.org

Government Department

Department of Trade and Industry (DTI)
1 Victoria Street
London SW1H 0ET
Tel: 011 44 20 7215 5000
www.dti.gov.uk

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Cosmetics and Toiletries

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	6,281	6,609	6,913
Total Local Production	6,948	7,284	7,597
Total Exports	2,798	2,859	2,922
Total Imports	2,131	2,184	2,238
Imports from the U.S.	903	1,060	1,123

(Unofficial estimates)

Within the toiletries market, skincare products experienced the strongest growth from 2003 to 2004 (7.5%), driven mainly by premium facial skincare lines and men's skincare ranges. Hair care (6.9%), personal wash and bathroom toiletries (4.1%), and oral care products (3.6%) were the next leading growth segments. Shaving preparations increased only modestly (1.9%). Between 2005 and 2009, the total U.K. toiletries market is forecast to grow by more than 16% to \$8.05 billion.

Best Prospects/Services

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Most segments of the UK toiletries market are mature and competition is therefore intensive and aggressive. But several areas do offer good potential for U.S. companies.

The market for men's grooming products is growing, especially as young men are becoming more open-minded about using skincare products such as anti-ageing creams, and face creams. There is also a small but growing market for men's color cosmetics.

Organic skincare remains a growth segment in the U.K., particularly for products based on natural plant extracts and vegetable/essential oils rather than chemicals and synthetic compounds.

Ladies' shaving preparations also show growth potential and is a segment in which manufacturers are increasing their product development and advertising efforts.

Although there are now numerous products available within the self-tanning products and tanning treatments segment, good opportunities exist for longer-lasting and natural color self-tanning products.

The U.K. is a good niche market for Afro hair care products, with relatively limited current product availability. Despite the steadily increasing number of consumers, this market is still underdeveloped compared with that of the U.S.

Resources

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Upcoming Events

Professional Beauty 2006
ExCel Exhibition Centre, London
March 5-7, 2006
www.professionalbeauty.co.uk

Professional Beauty Autumn
Earls Court 2 Exhibition Center
September 10-11, 2006
www.professionalbeauty.co.uk

Trade Association

The Cosmetic, Toiletry & Perfumery Association (CTPA) Limited.
Josaron House
5/7 John Princes Street
LONDON W1G 0JN
Tel: 44 20 7491 8891
Fax: 44 20 7493 8061
Email: info@ctpa.org.uk
Website: www.ctpa.org.uk

Government Department

Consumer and Competition Policy Directorate (CCP)
Department of Trade and Industry
1 Victoria St
London SW1H 0ET
Tel: 44 20 7215 5000
Website: www.dti.gov.uk/ccp/

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Drugs and Pharmaceuticals

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	15,400	16,500	17,600
Total Local Production	21,700	23,100	23,500
Total Exports	20,800	21,700	22,000
Total Imports	14,500	15,100	16,100
Imports from the U.S.	1,800	2,200	2,800

(Unofficial estimates)

The UK pharmaceutical market was valued at \$16.5 billion in 2004, seven percent higher than in 2003. Prescription drugs account for 83% of the market, with over-the-counter (OTC) products comprising the remainder. U.S. companies dominate local drug production in the UK and hold 17% of the import market.

The key requirement for selling pharmaceutical products in the UK is a product license granted by the UK's Medicines and Healthcare Products Regulatory Agency (MHRA) which boasts the fastest new drug approval times among European regulatory bodies. Additionally, all novel products including biotechnology-related products need to go through the European Medicines Agency (EMA) licensing process. The London-based EMA is the EU's centralized agency for Single Market Approval.

Additional regulatory hurdles that pharmaceutical companies face are:

- The UK National Institute of Clinical Excellence (NICE), which judges the clinical and cost-effectiveness of new and existing drugs, treatments, and medical devices. Based on these reviews, it provides the NHS with guidance on treatment strategy.
- The UK's Pharmaceutical Price Regulation Scheme (PPRS), which limits profits that pharmaceutical companies are allowed on their sales to the National Health Service (NHS).
- The UK government's mandatory price caps on generic medicines used in NHS primary care, which limit the maximum prices for generic drugs.

In the area of Vitamins, Minerals and Supplements, U.S. VMS manufacturers should be well aware of the new EU Food Supplements Directive. The Food Supplements Directive 2002/46/EC came into effect under UK law on 1 August 2005. This is a key piece of legislation because it significantly tightens the UK vitamins, minerals, and supplements (VMS) regulatory environment and therefore makes market entry more difficult. Until its implementation, the UK was one of the more liberal EU members in terms of VMS regulation.

Best Products/Services

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The UK Department of Health is currently committing a great deal of resources in furthering progress in treating the following diseases:

- Cancer
- Alzheimer's
- Parkinson
- Other diseases associated with a rapidly growing aging population
- Diabetes
- Rheumatoid Arthritis

Innovative treatments in those areas are being actively sought by the DOH.

Resources

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Upcoming Event

Interphex
National Exhibition Centre, Birmingham
May 15-18, 2007
www.totalexhibition.com

Trade Associations

The Association of British Pharmaceutical Industry
12 Whitehall
London SW1A 2DY
Tel: 011 44 20 7930 3477
Fax: 011 44 20 7747 1414
www.abpi.org.uk

Royal Pharmaceutical Society of Great Britain
1 Lambeth High Street
London SE1 7JN
Tel: 011 44 20 7735 9141
Fax: 011 44 20 7735 7629
www.rpsgb.org.uk

The Company Chemists' Association

Regus House
Fairbourne Drive
Atterbury
Milton Keynes MK10 9RG
Tel: 011 44 1908 488818
Fax: 011 44 1908 487870
www.thecca.org.uk

Government Departments

The Department of Health (DOH)
Richmond House
79 Whitehall
London SW1A 2NS
Tel: 011 44 20 7210 4850
www.doh.gov.uk

Medicines and Healthcare Products Regulatory Agency (MHRA)
Market Towers
1 Nine Elms Lane
London SW8 5NQ
Tel: 011 44 20 7084 2000
Fax: 011 44 20 7084 2353
www.mhra.gov.uk

European Medicines Agency
7 Westferry Circus
Canary Wharf
London E14 4HB
Tel: 011 44 20 7418 8400
Fax: 011 44 20 7418 8416
www.emea.eu.int

National Institute for Health and Clinical Excellence (NICE)
MidCity Place
71 High Holborn
London WC1V 6NA
Tel: 011 44 20 7067 5800
Fax: 011 44 20 7067 5801
www.nice.org.uk

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UK
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Education and Training

Overview

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\$ Millions	2002/2003	2003/2004	2004/2005 (est.)
Public Education	72,600	77,800	86,000
Private Education	5,080	5,440	6,020
Public Sector Training	19,400	19,900	20,200
Private Sector Training	29,820	30,110	30,250
Total	126,900	133,250	142,470

(Unofficial Estimates)

Education

The UK Government spent approximately \$86 billion on education in 2004-2005. It continues to propose and implement a number of reforms aimed at improving the public education sector and widening access to educational opportunities. Projected trends within the public sector include a shift towards more autonomy for educational institutions and increasing use of public and private sector alliances to provide educational services. The independent (private) sector remains a small but important market segment.

The educational materials market incorporates a variety of sectors including textbooks and periodicals, software and educational equipment. There are a large number of educational material suppliers offering a variety of products and services to the large public sector and private market.

Training

The UK public and private training market was worth \$50 billion 2005. It is expected to grow at a fairly slow rate over the next few years. The large number of suppliers makes this sector very competitive. The use of web-based or e-learning training courses is predicted to increase along with a shift to more customized materials and training for clients. The public sector is placing more emphasis on vocational or occupational training.

Best Products/Services

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Educational ICT

The UK's commitment to increasing information and communication technologies (ICT) and multimedia access in schools has resulted in the sector becoming a mainstream part of the curriculum and thus very competitive. Products are usually sourced via the Curriculum Online web site (www.curriculumonline.co.uk) or at the major education trade shows, such as BETT (The Educational Technology Show).

Academic Books

The value of the academic and professional book market has grown steadily over past several years. This segment has an end-user base very distinct from the mainstream high street consumer. A large number of books are sold through campus bookshops, business schools or specialist retailers, such as Blackwells. Modular, short-term courses mean students study more subjects and need more books. While Internet use is increasing, books are still the most popular reference source. Reading material tends to be determined by university reading lists or course lecturer recommendation.

E-Learning/Distance Learning Materials

E-learning/distance learning offers many opportunities for the private sector. Since the 1970s, the numbers of part-time students choosing to study further/higher education has risen as evening courses and e-learning opportunities open access to people previously excluded from study. Many institutions are beginning to offer some form of distance learning.

Disability/Special Needs

New legislation, such as The Disability Discrimination Act 2005, is highlighting the need to ensure disabled and special needs students have the facilities and materials to guarantee equal opportunities within the educational environment.

Major Projects

The use of the Private Finance Initiative (PFI) and Public Private Partnership (PPP) to provide new or refurbished facilities and services within the public education sector continues to be popular with the Government. PPP/PFI contracts are ideally suited to companies that are established in the UK and have the ability to provide continued support on their respective project. Recently completed projects include the building of a new indoor sports center, the refurbishment of school buildings and the provision of Special Needs facilities.

Resources

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Upcoming Events

BETT 2006: The Educational Technology Show
Olympia, London
January 11-14, 2006
www.bettshow.co.uk

The Education Show
NEC, Birmingham
March 9-11, 2006
www.education-show.co.uk/

HRD 2006 (Learning and Development Conference and Exhibition)
Olympia, London
April 4-6, 2006
<http://www.cipd.co.uk/hrd>

SETT 2006 (Scottish Education & Teaching with Technology Show)
Scottish Exhibition and Conference Centre, Glasgow, Scotland
September 20-21, 2006
www.settshow.com

Trade Association

The British Education Suppliers Association
20 Beaufort Court
Admirals Way
London E14 9XL
Tel: 011 44 20 7537 4997
Fax: 011 44 20 7537 4846
Web site: <http://www.besanet.org.uk>

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Medical Equipment

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	4,850	5,550	5,800
Total Local Production	4,300	4,480	4,500
Total Exports	1,730	1,870	1,800
Total Imports	2,280	2,940	3,100
Imports from the U.S.	920	1,060	1,230

(Unofficial estimates)

The \$6 billion UK medical equipment market ranks as the world's sixth largest and Europe's fourth largest. Market trends indicate that the sector will continue expanding by 8.8% by 2006. The United States is the largest import supplier with about 40% of the import market. In addition, most large U.S. medical equipment manufacturers have established operations in the United Kingdom. The UK medical equipment industry is a diverse and fragmented market, encompassing nearly 1,000 companies producing a wide array of products. Over 90% of these companies employ fewer than 50 people.

The principal purchaser of medical equipment in the United Kingdom is the National Health Service (NHS) – the UK's public sector health care system – which accounts for over 75% of Britain's health care provision. Since 2002, the NHS budget has been increased by 35% through 2005, to enable the purchase of capital equipment such as IV pumps, lasers, imaging systems, pathology laboratories and hospital bed systems. Although the private sector accounts for less than one-quarter of the UK health care market, significant opportunities exist for U.S. medical device companies to supply private hospitals and the residential, nursing, and home care sectors.

Medical devices are regulated by EU Directives that set out compliance requirements and procedures. The three main Directives are the Medical Devices Directive, the Active Implantable Medical Devices Directive, and the In-Vitro Diagnostic Medical Devices Directive. For more information about these directive please visit: www.mhra.gov.uk. In addition, the UK National Institute of Clinical Excellence (NICE), which judges the clinical and cost-effectiveness of new and existing medical devices, and which provides the NHS with guidance on treatment strategy, may present an additional regulatory hurdle that innovative U.S. devices must overcome

Best Products/Services

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The best sales potential during 2006-2008 for U.S. manufactured medical equipment is expected to be in the following areas:

- Computer tomography (CT) scanners
- Mammography equipment
- Magnetic Resonance Imaging (MRI)
- Ultrasound Equipment
- Picture Archiving Communication Systems (PACS)
- Telemedicine
- Electronic monitoring equipment
- Medical laboratory equipment

- Orthopedic and prosthetic equipment, including artificial limbs
- Rehabilitation equipment
- Respiratory, anesthetic and resuscitation equipment
- Needle free systems
- Diagnostics

While the sectors mentioned above are best prospects for U.S. companies, U.S. suppliers should be aware that in December 2005 there has been a root and branch review of all healthcare expenditure plans which could seriously affect future NHS spending on medical equipment.

The Government has identified 42 major hospital projects, which it has permitted to proceed and that should be operational by 2008, with 13 more under construction thereafter. The Government is in the process of setting up stand-alone diagnostic and treatment centers (DTCs), run by independent providers and staffed by overseas teams. There are already 10 DTC schemes open. By the end of 2006, the Department of Health (DOH) plans to have over 60 new diagnosis and treatment centers (DTCs) operational across the country. Areas of special interest for DTC development include: cataracts and wider ophthalmology procedures – where there is a particular interest in innovative solutions, such as mobile units and orthopedics.

The UK Department of Health has just announced a \$38 million extra capital investment for the NHS over two years from 2006/07 to build new PET-CT scanning facilities. The scanners will be a mix of fixed site and mobile facilities. There are currently seven fixed-location scanners routinely available for NHS patients in England, all located in London and the South East except for one in Birmingham. It is estimated that around 40,000 PET scans will be needed each year by 2007/08 and this demand is likely to increase when more evidence becomes available of the benefits of the technology. Currently, around 10,500 PET scans are undertaken in the NHS annually.

Resources

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Upcoming Event

Medical Device Technology
National Exhibition Centre, Birmingham
February 15-16, 2006
www.mdtevents.com.

Trade Associations

The Association of British Healthcare Industries (ABHI)
St George's House
195-203 Waterloo Road
London SE1 8WD
Tel: 011 44 20 7787 3060
Fax: 011 44 20 7787 3061
www.abhi.org.uk

British Anaesthetic & Respiratory Equipment Manufacturers Association
(BAREMA)
The Stables
Sugworth Lane
Radley
Oxon OX14 2HX
Tel: 011 44 1628 481348
Fax: 011 44 1628 481348
www.barema.org.uk

British In Vitro Diagnostics Association (BIVDA)
1 Queen Anne's Gate
London SW1H 9BT
Tel: 011 44 20 7957 4633
Fax: 011 44 20 7957 4644
www.bivda.co.uk

British Healthcare Trades Association (BHTA)
New Loom House
Suite 406
101 Back Church Lane
London E1 1LU
Tel: 011 44 20 7702 2141
Fax: 011 44 20 7680 4048
www.bhta.net

The NHS Confederation
22 Bressenden Place
London SW1E 5DD
Tel: 011 44 20 7074 3200
Fax: 011 44 20 7074 3201
www.nhsconfed.org

Government Departments

The Department of Health (DOH)
Richmond House
79 Whitehall
London SW1A 2NS
Tel: 011 44 20 7210 4850
www.doh.gov.uk

Medicines and Healthcare Products Regulatory Agency (MHRA)
Market Towers
1 Nine Elms Lane
London SW8 5NQ
Tel: 011 44 20 7084 2000
Fax: 011 44 20 7084 2353
www.mhra.gov.uk

National Institute for Health and Clinical Excellence (NICE)

MidCity Place
71 High Holborn
London WC1V 6NA
Tel: 011 44 20 7067 5800
Fax: 011 44 20 7067 5801
www.nice.org.uk

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Pet Products

Overview

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\$ Million	2003	2004	2005 (estimated)
Total Market Size	4,100	4,200	4,300
Total Local Production	4,400	4,700	5,000
Total Exports	1,000	1,300	1,600
Total Imports	700	800	900
Imports from the U.S.	578	590	603

(Unofficial estimates)

The total pet product market in the United Kingdom reached \$4.2 billion in 2004. It grew at an annual rate of 4.3% between 2001 and 2004, partly due to a dramatic increase in the insurance segment. Pet insurance sales have been rising sharply – 18% per year from 2001 – 2004. This growth is driven largely by the rising costs of veterinary care.

Pet food continues to dominate the pet product market, accounting for 80% of total sales in 2004. At 9% of the total U.K. pet market, accessories is the smallest of the three key pet market segments, with an estimated value of \$372.4 million in 2004. Recent growth has been stimulated by consumer demand for higher quality accessories and premium-priced products, particularly in the bedding and collars categories. The accessories market is also very competitive as companies attempt to differentiate their products in order to increase sales. Innovation is key to their product differentiation strategies.

Today's pet accessories follow the current trend to "humanize." As noted in an article published in the leading magazine for the pet trade industry, *Pet Product Marketing*, "A pet today is more than just a pet; it is a good friend we care about and one which helps us to differentiate ourselves from others." This "humanization" is seen today with women wearing pictures or illustrations of their dogs on handbags and T-shirts. Most pet accessory manufacturers are increasingly focusing on the fashion industry to draw inspiration for their latest pet creations. This trend is a sign of changes within the market, as manufacturers of leashes, lines and collars carefully observe fashion trends and translate them into trendy pet products.

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There are ample market opportunities in the pet accessories segment. Dogs and cats are becoming part of the lifestyle of individualism, which explains why customers want unique pet products. The new "humanizing" trend allows manufacturers to tailor their product for the individual consumer. For example, water bowls can be custom designed with the pet's initials or insignia. Also, pet clothing can be created to match the pet owner's wardrobe by using the same fabrics and ornamentation.

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Upcoming Event

Glee Petindex
National Exhibition Centre (NEC), Birmingham
September 18-20, 2006
www.bleebirmingham.com

Trade Associations

Ornamental Aquatic Trade Association (OATA)
Wessex House
40 Station Road
Westbury
Wiltshire BA13 3JN
UK
Tel: 011-44-8700-434-013
www.ornamentalfish.org

Pet Food Manufacturers Association
Third Floor
20 Bedford Street
London WC2E 9HP
UK
Tel: 011-44-20-7379-9009
www.pfma.com

Pet Care Trust
Bedford Business Centre

170 Mile Road
Bedford MK42 9TW
UK
Tel: 011-44-8700-624-400
www.petcare.org.uk

Government Department

Department for Environment, Food and Rural Affairs (DEFRA)
Nobel House
17 Smith Square
London SW1P 3JR
UK
Tel: 011-44-8459-335-577
www.defra.gov.uk

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Pollution Control

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	1,707	1,820	1,950
Total Local Production	1,920	2,171	2,325
Total Exports	896	1,079	1,155
Total Imports	683	728	780
Imports from the U.S.	94	89	95

(Unofficial estimates)

The UK has an industrial legacy that has created a significant amount of contaminated land sites. These sites are often in or near cities and towns where pressures to build new residential housing, commercial and industrial developments are greatest. As a result, demand for contaminated land assessment and treatment is estimated to have

increased 20% since 2000. Market growth also has been boosted by UK government policy that has emphasized planning permission to be based on the redevelopment of brown field sites. Furthermore the trend towards waterside residential and commercial developments on land formerly utilized for industrial activity has also generated demand for contaminated land treatment. Finally, strict UK and EU planning and pollution control laws are creating a growing market for pre-development land assessment and remediation.

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Consultancy services to assess the potential environmental liabilities of land and property and then identify options to remediate the land or property to an acceptable standard is the largest sector, providing revenues of \$275 million in 2004. New technologies for cost effective remediation of soil, water and properties will be well received by contractors and developers in the UK.

One major project opportunity is The Thames Gateway in East London which aims to regenerate 200,000 acres including 9400 acres of brownfield land, much of it from former dock, warehousing, industrial and quarrying uses. In addition, plans for the 2012 London Olympics include the development of a new stadium and an athletes' village.

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Upcoming Events

ET (Environmental Technology) 2006/International Clean Up 2006/NEMEX 2006
NEC, Birmingham
May 16-18, 2006
www.et-expo.co.uk

RWM 06 (The Recycling and Waste Management Exhibition)
NEC, Birmingham
September 12-14, 2006
www.rwmexhibition.com/

Trade Associations

Thames Gateway London Partnership
8th Floor, Anchorage House
2 Clove Crescent
East India Dock
London E14 2BE
UK
Tel: 011-44-20-7673-4578
Fax: 011-44-20-7673-4899
www.thames-gateway.org.uk

London 2012
50th Floor

1 Canada Square
Canary Wharf
London E14 5LT
UK
Tel: 011-44-20-7093-5000
www.london2012.org/en

Government Departments

Department for Environment, Food & Rural Affairs
Nobel House
17 Smith Square
London SW1P 3JR
Tel: 011 44 20 7238 6951
www.defra.gov.uk

Environment Agency
Millbank Tower
25th. Floor
21/24 Millbank
London SW1P 4XL
Tel: 011-44-1709-389-201
www.environment-agency.gov.uk

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Renewable Energy and Equipment

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	580	598	634
Total Local Production	258	271	287
Total Exports	66	73	77

Total Imports	388	400	424
Imports from the U.S.	60	66	70

(Unofficial estimates)

The UK Government, through the Department of Trade and Industry, has set a target of 10% for the proportion of electricity supplied from renewable sources by 2010, and an inspirational target of 20% by 2020. The target in Scotland, established by the Scottish Regional Government, is 18% by 2010 and 40% by 2040. Currently only 4% of the electricity supply in the UK comes from renewable sources. However, the UK Government is trying to keep its goal on track with Renewable Obligations that require the electric industry to buy increasing amounts of electricity from renewable sources. This in turn makes the generation of electricity through renewable resources more economically viable.

Currently there is very little manufacturing of renewable products in the UK. Most wind turbines come from Denmark or Germany and solar panels from Spain and Japan; tidal power is still in the development phase. Industry analysts expect that the growth in wind power may make investment in UK related manufacturing and fabricating facilities more attractive in the future.

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Wind generation, both onshore and offshore, has the greatest growth potential in the short and medium term. In 2005 there were 117 operational wind farms with a generating capacity of 1,337 MW and a further 22 under construction providing an additional 738 MW. With 77 more approved projects and 165 planned projects in the development pipeline, providing a total 11,665 MW of additional capacity, electricity supply from wind could soon exceed that from dwindling nuclear energy sources. Other renewable energy sources include solar, biomass, tidal, hydrogen, hydroelectric, landfill gas and geothermal energy.

Recently some wind farm projects have been put on hold due to increased construction costs. E.ON UK Renewables has delayed two large offshore wind projects for this reason. There are certainly opportunities for companies to supply more competitively priced turbines, towers, foundations and engineering services to wind farm project developers in the UK.

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Upcoming Events

NEMEX – The National Energy Management Exhibition
National Exhibition Centre (NEC), Birmingham
May 16 - 18, 2006
www.et-expo.co.uk

All-Energy – Renewable Energy Technology Conference & Exhibition
Aberdeen Exhibition Centre, Scotland
May 24 – 25, 2006

www.all-energy.co.uk

Trade Associations

E.ON UK Plc.
Westwood Way
Westwood Business Park
Coventry CV4 8LG
Tel: 011/44/247-6424000
Fax: 011/44/247-6425432
www.eon-uk.com

ScottishPower
1 Atlantic Quay
Glasgow G2 8SP
Tel: 011/44/141-5682000
www.scottishpower.com

Government Department

Department of Trade & Industry
1 Victoria Street
London SW1H 0ET
Tel: 011/44/207-222-5000
Fax: 011/44/207-222-2629
www.dti.gov.uk/energy

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Safety and Security Equipment

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	6,480	6,990	7,610
Total Local Production	5,830	5,680	5,590
Total Exports	800	9 00	870
Total Imports	1,450	2,210	2,890
Imports from the U.S.	92	90	87

(Unofficial estimates)

In general, the UK has one of the most developed and mature security markets in the world. The level of development in the market's sub-sectors does, however, vary. For example, the UK was one of the first countries to adopt widespread use of CCTV surveillance in public places. As a result, the CCTV market in the UK has reached a peak, whereas the UK lags behind the U.S. in terms of using advanced access-control measures.

Over the last five years, the police and prison services have all contracted out various services, which have helped to drive the market.

British and European Standards exist for many electronic, physical security and fire-protection products, although not all products are covered. There are several organizations in the UK that provide codes of practice for the security and fire-protection industry.

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Access Control Systems: Entryphones, keypads and cards are all very common methods of access control in the UK. There is strong interest in the development of biometric systems using varying characteristics, such as fingerprints, iris patterns and facial recognition. Growth in this sector has been particularly noticeable in public-sector projects such as hospitals and schools.

Physical Security Equipment: The UK is dominated by one group, Assa Abloy AB, with a share of the UK market as high as 50%. However, there are also a large number of smaller manufacturers and suppliers, many of which operate in niche product sectors. Housing starts are likely to remain high over the next three years, which will mean more opportunities for domestic security products.

Fire Protection Equipment: Installers that usually supply active fire protection equipment typically buy direct from manufacturers or wholesalers. Domestic fire alarms are available through DIY stores, supermarkets, and electrical stores. Building regulations in England and Wales state that new public or commercial buildings, extensions or alterations must be fitted with sprinklers. The Government is also undertaking research into possible regulations that would require the installation of sprinklers in residential buildings. The best opportunities are likely to be in the public sector and in housing.

The UK Government is considering making national ID Cards compulsory for UK citizens from 2008 onwards. This is currently being debated in Parliament. Undoubtedly, there will be some form of biometric data incorporated onto the ID cards.

The Government is also looking at options for additional security measures on public transport. This, combined with major plans for airport expansions over the next 10 years, should present opportunities for U.S. suppliers of products suitable for these environments.

London has recently been awarded the title of 2012 Olympic Games host city. Over the coming years, new sporting venues, housing for athletes and other building associated with the Games will be planned and built. These will all incorporate various safety and security measures. More details will be provided as and when key decisions are made.

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Upcoming Events

IFSEC 2006
National Exhibition Centre, Birmingham
May 8-11, 2006
www.ifsec.co.uk

Counter Terror World
Airport, Port, Terminal Security Show
Event & Venue Security Show
Infrastructure Security Show
Olympia, London
December 5-6, 2006
www.aptsexpo.com

Trade Association

The Association of Police and Public Security Suppliers
Marlborough House
Headley Road
Grayshott
Surrey GU26 6LG
Tel: 011 44 1428 602627
Fax: 011 44 1428 602628
www.appss.org.uk

Government Departments

The Home Office
2 Marsham Street
London SW1P 4DF
Tel: 011 44 20 7035 4848
Fax: 011 44 20 7035 4745
www.homeoffice.gov.uk

Security Industry Authority
PO Box 9
Newcastle Upon Tyne
NE82 6YX
www.the-sia.org.uk

Contact Details

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U.S. Commercial Service
American Embassy
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London W1A 1AE
Tel: 44 (0) 20 7894 0472 (direct line)
Tel: 44 (0) 20 7408 8019 (office)
Fax: 44 (0) 20 7408 8020
Email: lisa.cogan@mail.doc.gov

Telecommunications Equipment

Overview

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\$ Millions	2003	2004	2005 (estimated)
Total Market Size	15,730	16,320	17,310
Total Local Production	15,010	15,400	16,000
Total Exports	770	780	790
Total Imports	1,490	1,700	2,100
Imports from the U.S.	250	270	280

(Unofficial estimates)

Since opening up to competition, the UK telecoms market has become one of the most dynamic in the world, with new technologies such as wireless and broadband internet continuing to drive market growth. The Government has encouraged the use of Wi-Fi. Deregulation has allowed public network operators to use certain parts of the spectrum that are exempt from licensing for Wireless LAN (Wi-Fi) type systems. As a result, "hotspots" have developed in sites throughout the country, such as coffee shops, transport hubs and hotels.

The last 18 months have seen steady growth in telecoms sector revenues driven by growth in broadband Internet and mobile sectors. The level of broadband penetration in the UK, measured by subscribers per 100 population, is now comparable to most European countries although is still behind the USA, Japan and most notably Korea. The UK telecoms sector is set to evolve rapidly over the next few years. While British

Telecom's (BT) digital subscriber line (xDSL) products have consolidated its position as the main broadband wholesale delivery mechanism, BT is being forced by the regulator to progress its local loop unbundling (LLU).

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- Broadband Technologies – Broadband is very widely used by the UK consumer. Companies providing devices or software that can leverage the capabilities of this technology are likely to find a market.
- Video and Voice over IP Technologies and Services – The nascent triple play market is likely to grow rapidly as the bandwidth on broadband increases.
- 3G/UMTS Technologies and Services – The five cellular networks are rapidly upgrading the coverage of their UMTS service. Companies that can provide products and solutions into this market are likely to find partners.

Ofcom, the UK communications watchdog, recently completed a seven-month consultation process and confirmed a new set of charges that will establish the future of LLU in the UK. The regulator essentially ended BT Group's monopoly over the vitally important "last-mile", which connects households and businesses directly to cable or telephone companies. As yet, only a few companies are actually taking full advantage of the potential, and many companies are simply reselling BT Wholesale offerings.

The market is developing a triple play sector and there is the potential of a quad-play offering if Virgin Mobile (wireless MVNO) and NTL (current triple play leader) merge. Traditionally, it is only the cable Telco's who have had a true triple play offering, but LLU has allowed pioneers to enter the market.

The mobile telephony sector is being driven by 3G services, although uptake has been relatively slow due to the often high cost of using options such as music downloads. There is scope for the introduction of new 3G products in the market. VoIP is also set to join the mainstream following BT's announcement that it will enter this part of the market.

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Trade Associations

Intellect
Russell Square House
Russell Square
London WC1B 5EE
Tel: 011 44 20 7331 2000
Fax: 011 44 20 7331 2040
www.intellectuk.org

Mobile Operators Association
Russell Square House
Russell Square

London WC1B 5EE
Tel: 011 44 20 7331 2015
Fax: 011 44 20 7331 2047
www.mobilemastinfo.com

The Internet Service Providers' Association
23 Palace Street
London SW1E 5HW
Tel: 011 44 870 0500 710
Fax: 011 44 20 7233 7294
www.ispa.org.uk

Government Departments

Department of Trade and Industry (DTI)
1 Victoria Street
London SW1H 0ET
Tel: 011 44 20 7215 5000
<http://www.dti.gov.uk/industries/telecoms/index.html>

Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA
Tel: 011 44 20 7981 3000
Fax: 011 44 20 7981 3333
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Travel and Tourism

Overview

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\$ Millions	2003	2004	2005 (estimated)
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Total Spending in the U.S. By UK Travelers	8,666	9,576	9,700

(Unofficial estimates)

The U.K. remains the number one overseas market for inbound travel to the U.S. In 2005, over 4.5 million U.K. visitors traveled to the U.S., a solid 4.7% increase over 2004. This growth is lower than originally projected mainly due to a downturn in the important Florida market, the number one State destination in 2004, which still had 34.4% market share.

According to the U.S. Department of Commerce's Office of Travel & Tourism Industries (OTTI), growth in 2006 will slow to 2-3%. However, the industry is optimistic that the second federally funded marketing campaign, launched in the UK at the end of 2005, will boost travel to the U.S. Competition remains strong, not only from other long-haul destinations such as Australia, South Africa and the Far East, but even more notably from short-haul European and domestic destinations.

While Florida remains the most popular state for UK visitors, New York City has overtaken Orlando as the most popular city destination. Other leading cities are Las Vegas, Los Angeles and San Francisco.

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Demand for travel to New York City has been strong in 2005. Aggressive marketing by many UK tour operators, packaging three to four night stays in New York, have proven popular with British travelers, especially with the exchange rate favoring the UK pound sterling.

The bulk of the U.S. should see growth during 2006. There is strong interest for all outdoor activities, especially golf, and national and state parks continue to attract good interest. There is a desire among UK travelers to see the "real" America, often perceived as the western states, so arrivals to New Mexico, Arizona, Colorado and Utah, in addition to Nevada (for Las Vegas), should rise. At the same time New England has shown good growth during 2005, and there is every reason to be optimistic for a similar trend in 2006. Even in the aftermath of Hurricane Katrina, New Orleans is expected to be "up and running" in time for Mardi Gras in February 2006.

Destinations and attractions that focus on history and culture continue to offer good potential for the UK visitor; the Civil War in particular is a very good niche market. 2006 should see steady growth in events leading up to Jamestown, Virginia's quad centennial anniversary celebration in 2007. Tour operators will be offering a range of packages and tours to commemorate this milestone in American history.

Shopping remains the number one interest among the vast majority of U.K. travelers. It is certainly helps explain why so many U.K. tour operators offer 3 and 4 night stays in New York and other East Coast destinations. This has been especially true with the strong pound and the perception is likely to remain that the U.S. is “bargain land.”

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Upcoming Events

World Travel Market
ExCel Conference Centre, London
November 6 – 9, 2006
www.wtmlondon.com

Trade Associations

The Visit USA Association (UK) Ltd – (VUSA)
24 Grosvenor Square
London W1A 1AE
UK
Tel: 011-44-20-7495-4814
Fax: 011-44-20-7495-4851
Contact: Mr. Adrian Sever
www.visitusa.org.uk

Travel Industry Association of America (TIA)
Crown House
72 Hammersmith Road
London W14 8TH
UK
Tel: 011-44-20-7559-9744
Fax: 011-44-20-7559-9741
Contact: Ms. Gabriella Vecchio
www.tia.org

Government Department

Office of Travel & Tourism Industries (OTTI)
U.S. Department of Commerce
Room 1003
14th & Constitution Avenue NW
Washington D.C. 20230
USA
Tel: 202-482-0140
Fax: 202-482-2887
Contact: Ms. Julie Heizer
www.tinet.ita.doc.gov

Contact Details

For further information on the UK travel and tourism market, please contact:

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Commercial Specialist
U.S. Commercial Service
American Embassy
24 Grosvenor Square
London W1A 1AE
Tel: 011-44-20-7894-0459
Fax: 011-44-20-7408-8020
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Agricultural Products

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Overview

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The UK is consistently a key market for U.S. agricultural products. In 2004, U.S. exports of agricultural, fish and forestry products to the UK were \$1.46 billion, a 14.4 percent increase over the 2003 level. Although exports have been recently boosted by the strength of the pound against the dollar and the strong performance of high-value food and drink exports, the UK consistently features in the top ten most important destinations for U.S. agricultural products after the NAFTA countries of Canada and Mexico and the Asian powerhouse, Japan.

Consumer-oriented food and drink products remain the most important sector in value terms, amounting to 49 percent (\$712 million) of total exports of agricultural, fish and forestry products to the UK. This record figure is 22 percent higher than 2003, the fourth consecutive year of growth, and secures the UK at fourth on the league table of U.S. destinations for consumer-orientated goods. Fruit, vegetables and nuts account for over one third of the American food and drink products imported into the UK. American wines, particularly from California, have established a high profile in the UK and sales continue to sparkle, increasing by 40% in 2004. There has also been notable success for branded snack foods and grocery goods, largely by generating niche markets and specialist distribution based on their quality attributes.

The UK is also a key market for U.S. fish and seafood products. The bulk of US seafood exports is accounted for by canned salmon shipments, although increasing volumes of fresh and frozen Alaskan salmon are entering the UK and appearing on retailer's shelves. In addition, considerable volumes of Alaskan pollack have entered the UK over the last 3 years. These shipments are destined for the processing sector to compensate for the decline in harvested volumes of whitefish as a result of low levels of fish stocks in European fishing grounds.

Although forestry product exports have been under pressure in recent years due to strong competition from low cost third-country suppliers in the plywood sector, 2004 saw U.S. timber generate \$189 million of export revenue, with American hardwoods being a notable success in what is an increasingly competitive market sector.

Opportunities and Constraints for US products in the UK

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Opportunities	Constraints
The scale of the U.S. food industry may offer price competitiveness on large volume orders	Competition from EU member states (import duty payable on U.S. products)
The UK climate limits growing seasons and types of products grown	Poultry and red meat are effectively banned from the EU, and dairy imports from the U.S. are also restricted
The diversity of the U.S. population creates innovative food products and concepts which are often mirrored in the UK	Must meet strict UK/EU/retailer rules on food safety, traceability, environmental issues and plant inspection
U.S. has good brand image in UK. The U.S. is a popular destination for the UK tourist and familiarity with U.S. products is widespread	Labels on packaged food need to be changed, particularly the nutritional panel. Pack sizes and palletization may also need changing
A common language means that the UK is a natural gateway into Europe	Need to develop relationship with UK trade contacts and invest in marketing product
The UK has a core group of experienced importers with a history of sourcing from the U.S.	Biotech (GMO) ingredients are not widely accepted by the UK consumer
Strong interest in innovative products, and currently there is high interest in natural, wholesome and health food categories.	Taste buds differ in the UK – e.g. there is no affinity for popcorn, peanut butter and U.S. manufactured chocolate

Top Ten U.S. Agricultural Exports/Fastest Growing/Best Prospects [Return to top](#)

Top U.S. Agricultural Product Exports to the UK by Value (Millions of USD)						
	2000	2001	2002	2003	2004	CAGR* % 2000-2004
Wine & Beer	150	175	191	214	300	18.9
Other Intermediate	117	110	102	109	132	3.1
Processed Fruit & Veg	99	105	78	87	87	-3.2
Feeds & Fodders	67	82	62	83	86	6.4
Fresh Fruit	68	66	64	66	80	4.2
Salmon, Canned	56	65	60	55	76	7.9
Other Wood Products	89	49	64	64	76	-3.9
Other Consumer Oriented	65	68	86	59	69	1.5
Hardwood Lumber	92	90	74	65	68	-7.3
Live Animals	76	97	69	70	60	-5.7

(* CAGR is Compound Annual Growth Rate)

Fastest Growing U.S. Agricultural Product Exports to the UK by Value (Millions of USD)						
	2000	2001	2002	2003	2004	CAGR* % 2000-2004
Cotton	1.0	0.8	0.1	4.0	8.0	68.2
Logs & Chips	6.0	8.0	5.0	12.0	21.0	36.8
Eggs & Egg Products	6.0	7.0	6.0	10.0	21.0	36.8
Red Meats, Prep/Pres	0.3	0.2	0.7	1.0	1.0	35.1
Wine & Beer	150.0	175.0	191.0	214.0	300.0	18.9
Other Bulk	11.0	12.0	15.0	20.0	17.0	11.5
Breakfast Cereals	5.0	5.0	6.0	5.0	6.0	4.7
Vegetable Oils (excl soy)	13.0	24.0	30.0	26.0	15.0	3.6
Salmon Whole/Evisc	4.0	4.0	3.0	2.0	4.0	0.0
Roe/Urchin/Fish Eggs	0.5	0.61	1.0	0.1	0.3	-12.0

(* CAGR is Compound Annual Growth Rate)

Ten Best Product Prospects (as identified by FAS/London for 2005/2006 Marketing Strategy)
Natural, wholesome & healthy foods
Wine
Seafood
Fresh fruit & vegetables
Dried fruit & nuts
Specialty sauces & condiments
Snack foods
Confectionery
Red meat
Dairy

Resources

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The U.S. Department of Agriculture (USDA) is represented in the UK by the Foreign Agricultural Service (FAS) in the U.S. Embassy in London. FAS works to improve foreign market access for U.S. agricultural, fish and forestry products, and operates programs designed to build new markets and improve the competitive position of U.S. agriculture in the global marketplace.

The primary role of FAS London is to advise U.S. exporters and increase U.S. market presence by focusing resources on viable product categories. The FAS office also works on detection and elimination of trade barriers; analysis of and reporting on the UK agricultural situation and outlook; and representation of U.S. agricultural policies to the UK trade and public. FAS London works in conjunction with marketing partners such as

U.S. trade associations, state departments of agriculture, small businesses and cooperatives to implement a unified export strategy.

FAS provides a range of services (free-of-charge) to assist U.S. exporters of agricultural products in achieving export success. More detailed information can be obtained by contacting FAS London (tel: 011 44 20 7894 0464; email aglondon@usda.gov). Information on FAS global services can be found at FAS Online: www.fas.usda.gov.

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Import Tariffs

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Customs duty is assessed on the fair market value of imported goods at the time they are landed in the UK. The commercial invoice value is usually accepted as the normal price, but if a preferential arrangement has been established between the overseas supplier and the importer, or an unrealistic value has been declared, HM Customs reserves the right to assess a fair market value for duty purposes. The duty is payable at the time the goods are imported, but established importers can defer payment for up to 30 days. In addition to customs duties on imported goods, an excise tax is levied on in-country sales of alcohol, tobacco, and road vehicles, and on sales of oil and petroleum products.

The applicable import duty and excise tax rates can be obtained from U.S. Department of Commerce Export Assistance Centers, and copies of the tariff can be purchased from HM Stationery Office

In March 2004, as a result of the WTO ruling, which concluded that U.S. FSC/ETI provisions of the Internal Revenue Code constituted prohibited export subsidies, the European Union imposed an additional duty on 1,680 U.S. products. The European Union's retaliatory measure initially raised the duty by five percent. Until the U.S. complies with the WTO ruling, the duty has been set to increase monthly by one percent.

Trade Barriers

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The UK has no significant trade or investment barriers, and no restrictions on the transfer of capital or repatriation of profits. The very few barriers that exist are almost all attributable to UK implementation of EU Directives and regulations, and do not reflect UK Government intentions.

Import Requirements and Documentation

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A limited range of goods requires import licenses, which are issued by the UK Department of Trade and Industry's Import Licensing Branch. These include firearms and explosives, nuclear materials, controlled drugs and certain items of military equipment.

U.S. Export Controls

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U.S. exports to the UK are subject to normal U.S. export control regulations.

Temporary Entry

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Raw materials, temporarily imported for incorporation into products for export, may be admitted without payment of duties and taxes. The importer must provide a bank or insurance company guarantee or indemnity for the applicable duties and taxes. Goods intended for unaltered re-export may also be imported free of duty for a period of up to six months by prior arrangement with HM Customs & Excise. Duty-free entry is also permitted by prior arrangement for leased or loaned machinery, plant, and equipment, and goods imported solely for processing, repair, technical examination and testing.

Professional and demonstration equipment may be temporarily imported into the UK free of duty and tax under the Customs Convention on the Temporary Importation of Professional Equipment. For this, a carnet should be obtained from the U.S. Council of the International Chamber of Commerce.

Labeling and Marking Requirements

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In the UK, origin, weight and dimension, chemical composition and appropriate hazard warnings are required for consumer protection purposes on any product offered for retail sale. If the product cannot be labeled or marked, the data may be included on any packaging, accompanying printed material, or product literature. European and British clothing and shoe sizes are differently marked, and special provision may have to be made for apparel retail labeling. Dual labeling is strongly supported by the UK, which uses the practice as a cost-saving measure in its exports to North America.

See also the "Labeling and Marking" section of the "Standards" write-up later in this chapter for a complete description of the EU's various requirements.

Prohibited and Restricted Imports

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Prohibited imports include AM citizens band radios, switchblade knives, devices that project toxic, noxious or harmful substances (e.g., tear gas), counterfeit coins and currency, certain types of pornography and hormone-treated beef.

The UK participates in the Wassenaar Arrangement for the control of dual-use exports, the Australia Group (AG) for the control of chemical and biological weapons, and the Nuclear Suppliers' Group (NSG) for nuclear-related goods, preventing the export of restricted goods and technology to countries of proliferation concern. The UK also supports United Nations' sanctions restricting exports to certain other destinations. Although sensitive to the extraterritorial application of U.S. law in export controls, the UK authorities cooperate with the U.S. in preventing the re-export of sensitive goods and technology of U.S.-origin to unauthorized destinations, when the enforcement action is based on multilateral controls.

Customs Regulations and Contact Information

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The documents required for shipments include the commercial invoice, bill of lading or airway bill, packing list, insurance documents, and, when required, special certificates of origin, sanitation, ownership, etc.

A copy of the commercial invoice should accompany the shipment to avoid delays in customs clearance. No special form of invoice is required, but all of the details needed to establish the true value of the goods should be given. At least two additional copies of the invoice should be sent to the consignees to facilitate customs clearance. Consular documents are not required for shipments to the UK. Contact details are listed in Chapter 9.

Standards

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Overview

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Products tested and certified in the U.S. to American standards are likely to have to be retested and re-certified to European Union (EU) requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they

are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

(http://europa.eu.int/comm/consumers/cons_safe/prod_safe/index_en.htm)

European Union standards created in recent years under the New Approach are harmonized across the 25 EU member states and European Economic Area countries in order to allow for the free flow of goods. A feature of the New Approach is CE marking. While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations and technical standards might also become barriers to trade if U.S. standards are different from those of the European Union.

Standards Organizations

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EU Standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

CENELEC, European Committee for Electrotechnical Standardization

(<http://www.cenelec.org/>)

ETSI, European Telecommunications Standards Institute (www.etsi.org)

CEN, European Committee for Standardization, handling all other standards

(<http://www.cenorm.be/>)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" which monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies as well as through the American National Standards Institute (ANSI) (<http://www.ansi.org/>). ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away its individual standards at no charge on its website. In addition to the three standards developing organizations, the Commission of the European Union plays an important role in standardization through its funding of the participation in the standardization process of small and medium sized companies and non-governmental organizations, such as environmental and consumer groups. It also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical regulations. All EU harmonized standards, which provide the basis for CE marking, can be found on www.newapproach.org/

Due to the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its business development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which anticipate to become full members in the future) such as Albania, Bulgaria, Croatia, Romania, FYR of Macedonia, and Turkey. Another category, called "partner standardization bodies" includes the standards organizations of Russia, Bosnia-Herzegovina, Tunisia, Egypt, Serbia/Montenegro and the Ukraine, which are not likely to join the EU or CEN any time soon, but have an interest in participating in specific CEN technical committees. They agree to pay a fee for full participation in certain technical committees and agree to implement the committee's adopted standards as national standards. Many other countries are targets of the EU's technical assistance program, which is aimed at exporting EU standards and technical regulations to developing countries such as the Mediterranean and Balkan countries, some Latin American countries, China, and Russia.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. CEN's "business domain" page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

With the need to more quickly adapt to market needs, European standards organizations have been looking for "new deliverables" which are standard-like products delivered in a shorter timeframe. While few of these "new deliverables" have been linked to EU regulation, expectations are that they will eventually serve as the basis for a EU wide standard. [www.cenorm.be/cenorm/workarea/sectorfora/iss\(ict\)/index.asp](http://www.cenorm.be/cenorm/workarea/sectorfora/iss(ict)/index.asp)

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages of the production process to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice with regard to conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. You can find conformity assessment bodies in individual member state country in this list by the European Commission <http://europa.eu.int/comm/enterprise/nando-is/home/index.cfm>. To promote market acceptance of the final product, there are a number of voluntary

conformity assessment programs. CEN's certification systems are the Keymark, the CENCER mark, and the European Standard Agreement Group. CENELEC has its own initiative www.cenelec.org/Cenelec/Homepage.htm ETSI does not offer conformity assessment services.

Product Certification

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To sell their product on the EU market of 25 member states as well as Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this chapter provides some background and clarification.

In the eighties, the New Approach was launched to overcome the lengthy adoption process of "old approach" type legislation. The goal of the European Union's harmonization program under the New Approach is to streamline technical harmonization and the development of standards for certain product groups, including, among others, machinery, toys, construction products, electromagnetic compatibility, personal protective equipment, non-automatic weighing instruments, medical devices, gas appliances, hot water boilers, and radio and telecommunications terminal equipment (RTTE). Under the New Approach, Directives cover essential safety, health and environmental requirements. The three regional European standards organizations, CEN, CENELEC and ETSI, are mandated by the Commission to develop technical standards that are consistent with the essential requirements of EU Directives.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE Marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the European Union. A manufacturer can choose not to use the harmonized EU standards, but must then demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of essential market surveillance of regulated products. Although CE marking is intended primarily for inspection purposes by EU Member State inspectors, the consumer may well perceive it as a quality mark.

The CE mark is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to

the manufacturer or the authorized representative established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity, the certificate of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Accreditation

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Competent authorities to test and certify to EU requirements have officially accredited the independent certification bodies, known as notified bodies. However, under the U.S./EU Mutual Recognition Agreements (MRAs), notified bodies based in the United States and referred to as conformity assessment bodies, will be allowed to test in the United States to EU specifications, and vice versa. The costs will be significantly lower and U.S. products will, as a result, become more competitive. At this time, the U.S./EU MRAs cover the following sectors: EMC (in force), RTTE (in force), medical devices (in transition), pharmaceutical (in transition), and recreational craft (in force). This link lists to American and European Conformity Assessment bodies operating under a mutual recognition agreement <http://ts.nist.gov/ts/htdocs/210/qsig/mra.htm>

Accreditation is handled at member state level. "European Accreditation" (www.european-accreditation.org) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.

Publication of Technical Regulations

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The Official Journal is the official gazette of the European Union. It is published daily and consists of two series covering draft and adopted legislation as well as case law, questions from the European Parliament, studies by committees, and more (<http://europa.eu.int/eur-lex/en/index.html>). It lists the standards reference numbers linked to legislation. (www.newapproach.org/Directives/default.asp). National technical regulations are published on the Commission's website <http://europa.eu.int/comm/enterprise/tris/> to allow other countries/interested parties to comment.

Labeling and Marking

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Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units, although dual labeling is also acceptable until end of December 2009. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the freedom of Member States to require the use of language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 80/232/EC provides permissible ranges of nominal quantities, container capacities and volumes of a variety of products. http://europa.eu.int/eur-lex/en/consleg/main/1980/en_1980L0232_index.html

The Eco-label The EU adopted legislation in 1992, revised in 2000, to distinguish environmentally friendly production through a voluntary labeling scheme called the Eco-label. The symbol, a green flower, is a voluntary mark. The Eco-label is awarded to producers who can show that their product is less harmful to the environment than similar such products. This “green label” also aims to encourage consumers to buy green products. However, the scheme does not establish ecological standards that all manufacturers are required to meet to place product on the market. Products without the EU Eco-label can still enter the EU as long as they meet the existing health, safety, and environmental standards and regulations.

There are concerns in the United States that the EU Eco-labeling program may become a de facto trade barrier; may not enhance environmental protection in a transparent, scientifically sound manner; may not be open to meaningful participation by U.S. firms; and may discriminate unfairly against U.S. business. The EU Eco-label is a costly scheme (up to EUR 1,300 for registration and up to EUR 25,000/ year for the use of the label, with a reduction of 25 percent for SMEs) and has therefore not been widely used so far. However, the Eco-label can be a good marketing tool and, given the growing demand for green products in Europe, it is likely that the Eco-label will become more and more a reference for green consumers.

Contacts

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Foreign Commercial Service
Rue Zinner 13
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Fax: 32 2 513 1228
Gwen B. Lyle – Standards Attaché
Tel: 32 2 508 2674
gwen.lyle@mail.doc.gov
Sylvia Mohr – Standards Specialist
sylvia.mohr@mail.doc.gov
Tel: 32 2 508 2675
Fax: 32 2 513 1228

CEN – European Committee for Standardization
Rue de Stassart 36
B – 1050 Brussels, Belgium
Fax: 32 2 550 08 19
Tel: 32 2 550 08 25 / 550 08 11
www.cenorm.be

CENELEC – European Committee for Electrotechnical Standardization
Rue de Stassart 35
B – 1050 Brussels, Belgium

Tel: 32 2 519 68 71
Fax: 32 2 519 69 19
www.cenelec.org

ETSI - European Telecommunications Standards Institute
Route des Lucioles 650
F – 06921 Sophia Antipolis Cedex, France
Tel: 33 4 92 94 42 12
Fax: 33 4 93 65 22 99
www.etsi.org

European Commission
Enterprise Directorate - General
Rue de la Science 15
B – 1040 Brussels, Belgium
Mail: Office: SC15 02/09 B – 1049 Brussels
Tel: 32 2 299 56 72
Fax: 32 2 299 16 75
http://europa.eu.int/comm/enterprise/standards_policy/

EFTA – European Free Trade Association
Rue de Trèves 74
B – 1040 Brussels
Tel: 32 2 286 17 41
Fax: 32 2 286 17 42
<http://www.efta.int/>

NORMAPME – European Office of Crafts Trades and Small and Medium-Sized Enterprises for Standardization
Rue Jacques de Lalaing 4
B – 1040 Brussels, Belgium
Tel: 32 2 282 05 31
Fax: 32 2 282 05 35
www.normapme.com

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization
Avenue de Tervueren 36, Box 4
B – 1040 Brussels, Belgium
Tel: 32 2 743 24 70
Fax: 32 2 706 54 30
www.anec.org

ECOS – European Environmental Citizens Organization for Standardization
Boulevard de Waterloo 34
B – 1000 Brussels, Belgium
Tel: 32 2 289 10 93
Fax: 32 2 289 10 99

EOTA – European Organization for Technical Approvals (for construction products)
Avenue des Arts 40

B – 1040 Brussels, Belgium
Tel: 32 2 502 69 00
Fax: 32 2 502 38 14
info@eota.be

EOTC – European Organization for Conformity Assessment
Rue de Stassart 36
B – 1050 Brussels, Belgium
Tel: 32 2 502 40 40
Fax: 32 2 502 42 39
www.eotc.be

Trade Agreements

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The UK participates in the free trade arrangements of the European Union (EU) and European Free Trade Association (EFTA), and is a member of the World Trade Organization (WTO).

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Openness to Foreign Investment

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The UK is the most favored inward investment location in Europe, attracting about a quarter of all direct investment in the EU. About 40 percent of U.S., Japanese, and Asian investment into the EU goes to the UK, which is the home to more leading global corporations than any other EU nation. The U.S. and the UK are the largest foreign investors in each other's countries. The stock of U.S. foreign direct investment in the UK totaled \$253 billion at yearend 2004.

With a few exceptions, the UK does not discriminate between nationals and foreign individuals in the formation and operation of private companies. U.S. companies establishing British subsidiaries generally encounter no special nationality requirements on directors or shareholders, although at least one director of any company registered in the UK must be ordinarily resident in the UK. Once established in the UK, foreign-owned companies are treated no differently from UK firms. Within the EU, the British Government is a strong defender of the rights of any British registered company, irrespective of its nationality of ownership.

Market entry for U.S. firms is greatly facilitated by a common language, legal heritage, and similar business institutions and practices. Long-term political, economic, and regulatory stability, coupled with relatively low rates of taxation and inflation make the UK particularly attractive to foreign investors. The Blair government inherited a legacy of economic reforms, including privatization, deregulation, and support for competition.

These initiatives have been continued, with very few instances of government intervention.

Local and foreign-owned companies are taxed alike. Inward investors may have access to certain regional grants and incentives that are designed to attract industry to areas of high unemployment, but no tax concessions are granted. The UK taxes corporations at a main rate of 30 percent, with small companies being taxed at a rate of 19 percent. The rate may be lower depending on the level of profits earned, with revenue also a contributing factor. Tax deductions are allowed for expenditure and depreciation of assets used for trade purposes. These include: machinery, plant, industrial buildings, and assets used for research and development.

The UK has a simple system of personal income tax, with one of the lowest top marginal rates of any EU country (40 percent.) Other marginal tax rates in the UK are 10 percent and 22 percent. UK citizens also make mandatory payments into the National Insurance system, which funds social security and retirement benefits and is another form of taxation.

The Scottish Parliament has the power to increase or decrease the basic income tax rate in Scotland, currently 22 pence on the pound, by a maximum of 3 pence. The Scottish Executive, however, has made a commitment not to make use of this power for the lifetime of the current Parliament.

The UK imposes few impediments to foreign ownership. The UK subscribes to the OECD Committee on Investment and Multinational Enterprises' (CIME) National Treatment Instrument and the OECD Code on Capital Movements and Invisible Transactions (CMIT).

U.S. companies have found that establishing a base in the UK is an effective means of accessing the European Single Market, and the abolition of most intra-European trade barriers enables UK-based firms to operate with relative freedom throughout the EU. Some 5,700 U.S. companies have operations in the UK, including all of the top 100. The UK hosts more than half of the European corporate headquarters of American-owned firms.

Conversion and Transfer Policies

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The British pound sterling is a free-floating currency with no restrictions on its transfer or conversion. There are no exchange controls restricting the transfer of funds associated with an investment into or out of the UK. All exchange controls were repealed in 1987.

On April 1, 2004 UK transfer pricing rules were extended to cover domestic transactions between related UK companies. The rules require that transactions within the UK be made on an arm's-length basis, just as cross-border transactions have been. The new rules are intended to protect the UK tax base from unfavorable decisions in the European Court. Small- and medium-sized enterprises are exempt from this new regime. Large companies will have until April 1, 2006 to provide full documentation for arm's-length transactions or face penalties. The new legislation also repeals the old

rules governing thin capitalization, which allows companies to assess their borrowing capacity on a consolidated basis. Under the new rules, companies who have borrowed from a UK or overseas parent will need to show that the loan could have been made on a stand-alone basis or face possible transfer pricing penalties.

The UK is not a member of the European Single Currency (the euro). The current Labour Government has said that it is in favor of joining, but only after a national referendum takes place and the British public votes to adopt the euro. The date of this referendum is contingent on a government assessment based on five economic tests, which are sustainable convergence, sufficient flexibility, effect on investment, impact on financial services, and effect on employment. Once these tests are passed, the government must then seek Parliamentary approval for a national referendum. Given the current lukewarm support for the euro among the British people, however, a referendum is not likely to occur prior in the foreseeable future.

Expropriation and Compensation

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Expropriation of corporate assets or nationalization of an industry requires a special Act of Parliament. In the event of nationalization of any private-sector entity, the British government would follow customary international law, providing prompt, adequate, and effective compensation.

Dispute Settlement

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International disputes are resolved through litigation in the UK Courts or by arbitration, mediation, or some other alternative dispute resolution (ADR) method. Up to 5,000 international disputes a year take place in London, reflecting its strong position as an international center for legal services. Most of the disputes center on the maritime, commodities, financial services, and construction sectors. The London Court of International Arbitration and the International Chamber of Commerce's International Court of Arbitration are the leading administrators of international arbitrations. The Stock Exchange Panel on Takeovers and Mergers mediates takeover bid disputes, and there is a further right of appeal to the Stock Exchange Appeals Committee.

As a member of the International Center for Settlement of Investment Disputes, the UK accepts binding international arbitration between foreign investors and the state. As a signatory to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, the UK permits local enforcement on arbitration judgments decided in other signatory countries.

Performance Requirements and Incentives

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Business contracts are legally enforceable in the UK. Performance bonds or guarantees are generally not needed in British commerce, nor is any technology transfer, joint venture, or local management participation or control requirement imposed on suppliers. Government and industry encourage prompt payment, but a tradition does not exist of providing an additional discount to encourage early settlement of accounts.

The UK offers a wide range of incentives for companies of any nationality locating in depressed regions of the country, as long as the investment generates employment. Regional Selective Assistance (RSA) is available from the central government for qualifying projects in parts of the UK needing investment to revitalize their economies. Grants are the main type of assistance, and the level of grant is based on capital expenditure costs and expectations of job creation.

In addition to RSA, assistance can be obtained through the EU Regional Development Fund, although this will expire in 2006. This assistance is offered to companies that locate in an area designated under Objective 1 (regions whose per capita GDP is 75 percent or less of the EU average), Objective 2 (regions undergoing economic and social conversion), or Objective 3 (education, training, and employment.) The highest level of assistance is available for companies that locate in Objective 1 areas, which include parts of Cornwall, Merseyside, South Yorkshire, and West Wales and the Valleys.

Local authorities in England and Wales also have power under the Local Government and Housing Act of 1989 to promote the economic development of their areas through a variety of assistance schemes, including the provision of grants, loan capital, property, or other financial benefit. Separate legislation, granting similar powers to local authorities, applies to Scotland and Northern Ireland. Where available, both domestic and overseas investors may also be eligible for loans from the European Investment Bank.

Right to Private Ownership and Establishment

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The Companies Act of 1985, administered by the Department of Trade and Industry (DTI), governs ownership and operation of private companies. The government has powers under the Mergers and Industry Act of 1986 to prohibit the takeover of important manufacturing undertakings by non-residents, and to prevent undue concentration of market share. Protected sectors include air and maritime transport, fishing, and defense. DTI uses a transparent code of practice in evaluating bids and mergers for possible referral to the Competition Commission. On March 1, 2000, the Competition Act of 1998 entered into force, strengthening competition law and enhancing the enforcement powers of the Office of Fair Trading. Prohibitions under the act relate to competition-restricting agreements and abusive behavior by entities in dominant market positions.

Only a few exceptions to national treatment exist. For example, foreign (non-EU or non-EFTA) ownership of UK airlines is limited by law to 49 percent. Registration of shipping vessels is limited to UK citizens or nationals of EU/EFTA member states resident in the UK. The British government holds one special controlling interest — or "golden" — share in a number of companies including BAE Systems, British Energy, Eurostar UK Ltd.,

Rolls Royce, VSEL, Stena Sealink, Cable and Wireless, Devonport Royal Dockyard Ltd., and Rosyth Royal Dockyard Ltd. For some of these companies, restrictions of foreign ownership of ordinary shares apply. Citizenship requirements for certain senior executive and non-executive posts also apply for these enterprises. Foreign investment in financial services that are not covered by EU Directives on banking, investment, services, and insurance may be subject to a bilateral agreement.

The privatization of state-owned utilities is a continuing process, although the bulk of state enterprises have now been sold to the private sector. With regard to future investment opportunities, the few remaining government-owned enterprises or remaining government shares in other enterprises are also likely to be sold off to the private sector. Plans for the partial privatization of London's extensive underground rail network are well under way. The government continues to push the Public Private Partnership (PPP) -- a collaboration between government entities and private companies to enhance public services -- despite protests from some financial experts.

Under the Private Finance Initiative (PFI), British and foreign-owned companies may bid for long-term franchises to build, run, and improve existing public-sector services in areas such as education, health care, road traffic management, passenger rail, production of coins and currency, port operations, air and water monitoring and cleanup, land use planning, and building control. The government's goal is to provide cost-effective and higher-quality services in partnership with private sector investment capital providers.

Protection of Property Rights

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The UK legal system provides a high level of intellectual property rights (IPR) protection. Enforcement mechanisms are comparable to those available in the United States. The UK is a member of the World Intellectual Property Organization (WIPO). The UK is also a member of the major intellectual property protection agreements: the Bern Convention for the Protection of Literary and Artistic Works; the Paris Convention for the Protection of Industrial Property; the Universal Copyright Convention; the Geneva Phonograms Convention; and the Patent Cooperation Treaty. In August 2004, the UK published its first "intellectual property crime strategy." The national strategy represents important advancements in intelligence sharing and coordination between UK government agencies to combat IP crime, along with a commitment to improve training for customs enforcement agents.

Patents: Many of the key features of the UK Patents Act 2004 entered into effect on January 1, 2005. The Act is designed to bring UK patent law into line with the updated European Patent Convention (2000). The Act lifts restrictions on filing patent applications from abroad, with exceptions made for military technology and applications whose contents could affect UK national security. The Act expands options for non-binding, written opinions on patent infringement to be issued by the UK Patent Office. The legislation also lays out significant changes to the process of approaching alleged infringers (sometimes known as "threats"). The changes are designed to aid genuine attempts to settle infringement disputes while providing protection -- particularly to small and medium enterprises -- against frivolous threats. A UK patent application requires

that an invention must be new, involve an innovative step, and be capable of industrial application. A patent cannot be granted in the UK for any invention used for offensive, immoral, or anti-social purpose, for any variety of animal or plant, or for a biological process used in its production.

Copyright: The Copyright, Designs and Patents Act of 1988 grants the originator the exclusive right to assign those rights or to exploit them through copying, dissemination, publication, or sale. Computer programs and semiconductor internal circuit designs are included as works that are protected by this act. Under the terms of an EU Directive which took effect in January 1988, databases are also protected in each EU-member country by the national legislation that implements the Directive.

Trademarks: The UK submits to the WIPO system of international registration of marks, as governed by the Madrid Agreement and the Madrid Protocol. The UK Trade Marks Act of 1994 is the current law providing for the registration and protection of trade marks in the UK, and has been harmonized with EU Directive No 89/104/EEC. Trademarks are considered personal property in the UK, and are normally registered for a period of 10 years with an option to renew. However, trademarks may be removed from the register if a period of five years has elapsed, during which time there has been no bona fide use of the trademark in relation to the goods by the proprietor.

Trade Secrets/Confidential Test Data: Commercially sensitive information is not itself specifically subject to legal protection, but the misappropriation of such information from business premises may be subject to criminal law. Action under employment law may also be taken against an employee who, by disclosing information, breaches a contract with his or her employer. In addition, confidential test data, submitted in conjunction with a registered application for pharmaceuticals or veterinary products, enjoys 10 years of exclusive protection from the date of authorization, provided the product is marketed in the UK.

Transparency of Regulatory System

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U.S. exporters and investors generally will find little difference between the U.S. and UK in the conduct of business. Common law prevails in the UK as the basis for commercial transactions, and the International Commercial Terms (INCOTERMS) of the International Chambers of Commerce are accepted definitions of trading terms. In terms of accounting standards and audit provisions, as of January 1, 2005 firms in the UK must use the International Financial Reporting Standards (IFRS) set by the International Accounting Standards Board (IASB) and approved by the European Commission. The UK's Accounting Standards Board provides guidance to firms on accounting standards and works with the IASB on international standards.

An example of differences between UK law (as well as EU law) and foreign law applies to commercial agents, who are self-employed intermediaries. Often sales are undertaken in the UK by means of appointed distributors, licensees, or "agents" using standard form agreements, or sometimes with no agreement at all. Under English law, no distribution or licensing arrangements are terminable "at will," and reasonable notice (ranging from 1 to 12 months) is usually required. The law regarding indemnities is

different under English law, and many standard form software license agreements have invalid clauses prohibiting copying because they breach the EU Copyright Directive. Non-EU court judgments, apart from those for judgment debts, are often not enforceable in the UK, and the agent is entitled to at least one year's commission in damages when agency agreements are terminated. English law, like other European laws, imposes severe restrictions on exclusions and limitations of implied warranties and liability. There is an exception within English law that removes most of these restrictions where both parties are overseas, which makes UK law and courts a very favorable compromise choice for corporations contracting elsewhere in Europe.

The government's declared intent is to introduce more business competition and to reduce the administrative burden on companies by reducing unnecessary red tape. Statutory authority over prices and competition in various industries is given to independent regulators. These include the Office of Communications (Ofcom), the Office of Water Regulation (Ofwat), the Office of Gas and Electricity Markets (Ofgem), the Office of Fair Trading (Oft), the Strategic Rail Authority (SRA), and the Financial Services Authority (FSA). These regulators work to protect the interests of consumers while ensuring that the markets they regulate are functioning efficiently. Transparency is generally good, with most laws and regulations published in draft for public comment prior to implementation.

Reduction of bureaucratic red tape is a priority for the current government, although business groups are constantly pressing the government to move faster on implementing measures. A persistent problem is the highly centralized nature of decision making. For example, one company visited the Embassy to discuss an investment it was making in Yorkshire. The firm found that the local development authority had little power to help the firm with problems it encountered because the real decisions were being made in London.

Efficient Capital Markets and Portfolio Investment

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The City of London houses one of the world's largest and most comprehensive financial centers. Unlike even New York, London offers all forms of financial services – commercial banking, investment banking, insurance, venture capital, stock and currency brokers, fund managers, commodity dealers, accounting and legal services, as well as electronic clearing and settlement systems and bank payments systems. London is highly regarded by investors because of its solid regulatory, legal, and tax environment, a supportive market infrastructure, and a dynamic and highly-skilled workforce.

Government policies are intended to facilitate the free flow of capital and to support the flow of resources in the product and services markets. Foreign investors are able to obtain credit in the local market at normal market terms, and a wide range of credit instruments is available. The principles involved in legal, regulatory, and accounting systems are transparent, and they are consistent with international standards. In all cases, regulations have been published and are applied on a non-discriminatory basis by a single regulatory body, the Financial Services Authority.

The London Stock Exchange is one of the most active equity markets in the world, combining its robust and liquid nature with a high degree of integrity. London's markets

have the advantage of bridging the gap between the day's trading in the U.S. market and the opening of the Asian markets.

The UK banking sector is the third largest in the world after the U.S. and Japan, with some 350 banks authorized to do business in the UK. The total assets of the UK banking sector were about 5.3 trillion pounds (\$9.5 trillion) as of August 2005, with domestic banks accounting for about 46 percent of the total. The leading UK banks ranked by total assets are HSBC, Royal Bank of Scotland, Barclays, and HBOS Group.

Political Violence

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A current problem involves UK animal rights activists who employ increasingly violent tactics and harassment techniques to disrupt legitimate scientific research. They have forced the shelving of plans for one new research center and severely delayed construction of another. The activists target existing research centers that use laboratory animals, as well as any company that does business with them. The government has passed legislation to give police stronger authority to crack down on protesters, and courts have begun to use their powers to clarify the line between lawful protest and harassment. In the meantime, the ongoing actions have damaged the UK's efforts to become a leading R&D center in Europe.

Environmental pressure groups in the UK have been involved with numerous protests against a variety of business activities including airport expansion, bypass roads, offshore structures, wind farms, and petrochemical facilities. These protests tend not to be violent but work toward obtaining maximum media exposure.

Domestic political violence associated with Northern Ireland and the IRA has decreased dramatically in the past several years as the main paramilitary groups have maintained a cease-fire and the 1998 Good Friday Agreement created the potential for parties to resolve political disputes through peaceful means. Sectarian violence, however, continues to occur sporadically in parts of Northern Ireland, and some small dissident paramilitary groups opposed to the Agreement have committed acts of terrorism in Northern Ireland and London in recent years.

Corruption

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The Prevention of Corruption Act makes bribery of domestic or foreign public officials a criminal offense. The maximum penalty under this act is imprisonment for up to seven years, and/or a fine not exceeding 5,000 pounds. Corrupt payments are not deductible for UK tax purposes. Although isolated instances of bribery and corruption have occurred in the UK, U.S. investors have not identified corruption of public officials as a factor in doing business in the UK.

The UK formally ratified the OECD Convention on Combating Bribery in December 1998. Part 12 of the Anti-terrorism, Crime and Security (ATCS) Act of 2001, which came into force on February 14, 2002, includes legislation on bribery and corruption to deter UK companies and nationals from committing acts of bribery overseas. The act gives UK courts jurisdiction over crimes of corruption committed wholly overseas by UK nationals and by bodies incorporated under UK law. In addition to the OECD Convention, the UK also is actively involved in the Council of Europe's Group of States Against Corruption (GRECO), which helps its members develop effective anti-corruption systems. The UK also signed the UN Convention Against Corruption in December 2003.

A recent development involved an out-of-court settlement by the UK's Export Credits Guarantee Department (ECGD) with the anti-corruption group, The Corner House, concerning a decision by the Department of Trade and Industry (DTI) to alter new anti-bribery rules. The revised DTI policy introduced in November 2004 requires British exporters to give anti-bribery undertakings in deals only on behalf of those companies it controls. Under the previous policy introduced in May 2004, exporters to developing countries had to vouch for all affiliates in a deal. The court settlement provides for public consultations between DTI and all interested parties such as anti-bribery campaigners. Consultations were held in March-June 2005 on changes to the anti-bribery rules, with additional consultations on the interim report in October-November 2005. The final government response is expected in early 2006.

Bilateral Investment Agreements

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The U.S. and UK have no formal bilateral investment treaty relationship, although a Bilateral Tax Treaty updated in 2003 specifically protects U.S. and UK investors from double taxation. The UK has its own bilateral tax treaties with more than 100 (mostly developing) countries and a network of about a dozen double taxation agreements.

OPIC and Other Investment Insurance Programs

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OPIC programs do not apply to the UK because OPIC supports investments in emerging market economies and developing countries. Export-Import Bank financing is available to support major investment projects in the UK, particularly oil and gas exploration machinery and wide-bodied civil aircraft. An MOU signed by Ex-Im Bank and its UK equivalent, the Export Credits Guarantee Department (ECGD), enables bilateral U.S.-UK consortia, intending to invest in third countries, to seek investment funding support from the country of the larger partner. This removes the need for each of the two parties to seek financing from their respective credit guarantee organizations.

Labor

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The relatively strong performance of the UK economy is reflected in its employment data. As of October 2005, UK employment had reached a record 28.8 million, and the unemployment rate as measured by the International Labor Organization (ILO) was 4.9 percent. Most of the strong growth in jobs occurred in the finance and business services sector, offsetting an ongoing drop in jobs in the manufacturing sector. The UK workforce was augmented by an influx of workers from the new EU member states in Eastern Europe, with more than 293,000 workers from these countries registering for work between May 2004 and September 2005.

About 30 percent of the British workforce belongs to a union, a low proportion by UK historical standards, but still quite high to an employer used to a much lower American percentage. Public-sector workers have a much higher share of union members -- nearly 60 percent -- while the figure for the private sector is much lower at about 17 percent. Union membership has been relatively stable in the past few years, although the trend has been slightly downward over the past decade.

The UK first instituted a statutory national minimum wage in April 1999, and on October 1, 2005 the minimum wage for employees aged 22 or older was raised to 5.05 pounds per hour. The rate for employees aged 18 to 21 was raised to 4.25 pounds per hour, and the rate of 3 pounds per hour for 16- and 17-year olds was maintained.

Unionization of the workforce in the UK is prohibited only in the armed forces, public-sector security services, and police forces. Manufacturing, transport, and distributive trades are highly unionized, but once-common militant unionism is less frequent although unions still take strike action periodically. Most British unions have adapted to the reality of a globalized economy in which jobs are contingent on the competitiveness of their employers. Privatization of traditional government entities has accelerated such thinking.

The Trades Union Congress (TUC), the British AFL-CIO equivalent, launched a major partnership initiative in January 2000 to encourage union-management cooperation. Most of the TUC's private-sector affiliates are on board, and these are the unions most likely to be encountered by a U.S. investor. The Employment Relations Act of July 1999 rolled back much of the anti-union legislation enacted by previous Conservative governments, but the union closed shop and secondary picketing remain outlawed. The act also made it much easier for a TUC affiliate to organize a non-union workplace. In addition, union recognition (where achieved) carries a binding statutory obligation as distinct from its previous voluntary status. Voluntary union-employer agreements are still a common feature in many workplaces because the recognition process is lengthy and subject to complex review procedures.

Much of the employment legislation currently affecting the UK labor market originates from the European Commission in Brussels. EU regulations affect working patterns, wage structures, and employee protection rights. For example, the European Working Time Directive creates an entitlement to minimum daily and weekly rest periods, an average workweek limit of 48 hours, and restrictions on night work. It also entitles workers who meet the qualifying criteria, including part-time and seasonal workers, to a minimum of four weeks annual paid holiday, including eight national bank holidays. New legislation now under review would provide for a minimum of five weeks paid annual leave plus eight national bank holidays. The universal application of labor regulations

across respective EU borders undermines British competitiveness to the extent that the UK has made its historically more flexible labor market a major selling point to inward investors. As it has implemented EU directives, the UK government has been proactive in trying to maintain its flexibility and competitiveness. For example, it has negotiated a special provision under the Working Time Directive that allows employees to opt out of the workweek limitations and has favored changes to the rules on temporary workers.

A persistent characteristic of the UK workforce is its relative lack of mobility, geographically and between trades. Successive governments have introduced retraining schemes and grants with some success in creating a more adaptable workforce. The influx of foreign workers has helped to alleviate this problem, as has the growing share of women in the workforce -- currently at about 46 percent of the working population.

The most serious issue facing British employers is a skills gap derived from a high-skill, high-tech economy outpacing the educational system's ability to deliver work-ready graduates. The government has placed a strong emphasis on improving the British educational system in terms of greater emphasis on science, research and development, and entrepreneurship skills.

Foreign-Trade Zones/Free Ports

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The cargo ports and freight transshipment points at Liverpool, Prestwick, Sheerness, Southampton, and Tilbury that are used for cargo storage and consolidation are designated as Free Trade Zones. No activities that add value to the commodities are permitted within the Free Trade Zones, which are reserved for bonded storage, cargo consolidation, and reconfiguration of non-EU goods. The Free Trade Zones offer little benefit to U.S. exporters or investors, or any other non-EU exporters or investors.

Foreign Direct Investment Statistics

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The UK is the largest holder and recipient of foreign direct investment (FDI) within Europe. According to data published in UNCTAD's World Investment Report, the stock of outward UK FDI totaled \$1,378 billion at yearend 2004 (or 65 percent of GDP), up from \$1,235 billion in 2003. The stock of inward UK FDI at yearend 2004 was \$772 billion (or 36 percent of GDP), up from \$609 billion in 2003. Direct investment outflows in 2004 totaled \$65.4 billion, down from \$66.5 billion in 2003, while inflows surged to \$78.4 billion in 2004 from \$20.3 billion in 2003.

The United States remained by far the most popular destination for new UK outward direct investment in 2004, continuing the strong investment partnership between the two countries. The UK is the leading investor in the U.S. in terms of stock of FDI. Other EU member states and Canada attracted much of the remaining outward UK FDI, although China is growing as a destination for UK investment.

During its 2004-05 financial year (April 2004-March 2005), the UK attracted 1,066 investment and expansion projects by foreign companies, creating more than 39,500 jobs, according to the Department of Trade and Industry. Of the 39 countries with new investments in the UK last year, U.S. investors accounted for the largest share with 464 projects and 17,730 new jobs, followed by Canada (67 projects), Germany (60), Japan (57), and France (57). The services sector attracted the most new investment with more than 42 percent of the projects, followed by the manufacturing sector with 25 percent and the information technology/software sector with 23 percent.

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How Do I Get Paid (Methods of Payment)

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The UK has a well-developed banking sector and general finance is readily available. Payment for exports to the UK can be on open account, payment in advance, letter of credit, documentary drafts, or consignment sale. Letter of credit payment is normal until a trading pattern has been established. British buyers will typically ask for 60, 90 or 180 days credit, depending on the industry sector in which they trade.

How Does the Banking System Operate

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There are many British and foreign-owned banks and financial institutions offering competitive trade and project financing, and capital equipment lease finance. There are more U.S.-owned banks operating branches and subsidiaries in London than there are on Wall Street. In addition, many of the smaller U.S. banks have correspondent relationships with one or more of the major British banks, and those UK correspondents can provide a complete range of financial services for exporters and investors.

Foreign-Exchange Controls

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There are no exchange controls restricting the transfer of funds into or out of the UK.

U.S. Banks and Local Correspondent Banks

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The many U.S. banks operating in the UK are generally members of the British Bankers' Association and the American Banking and Securities Association of London. Contact details for these associations are listed in Chapter 9.

Project Financing

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London is a major source of international project finance, and U.S. investors should be able to locate suitable banking and financial advisors that will assist in putting together appropriate financing packages. The venture capital industry in the UK is particularly well developed.

OPIC financing is not appropriate to the developed UK economy, but Export/Import Bank financing is available to support major capital equipment sales to the UK, particularly for oil and gas exploration machinery and wide-bodied civil aircraft. An MOU (Memorandum of Understanding) signed by the Export-Import Bank and its UK equivalent, the Export Credits Guarantee Department (ECGD), enables bilateral U.S./UK consortia, seeking to export to third countries, to seek trade finance guarantees from the country of the larger partner. This removes the need for each of the two parties to seek credit guarantees from their respective credit guarantee organizations.

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/ccs/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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Business Customs

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UK business customs are increasingly more similar to those in the U.S. as the British class structure, based on family history, profession, as well as property and land ownership, continues to erode through taxation, education, and social developments over the last few decades. Liberalization of business and industry has rewarded enterprise, and a new generation of professionals schooled in management, marketing and finance has increasingly taken charge. In addition, ethnic minorities now constitute about 8% of the population and are active throughout the British economy.

Some fundamental cultural differences between the U.S. and the UK remain. Variations in pace and style may be most noticeable, and sustained personal contact with potential business partners is expected. Prompt acknowledgment of correspondence, adherence to appointment schedules, and a greater formality in the conduct of business is the norm.

British executives communicate more by letter and fax than by telephone, although the Internet is widely used, and e-mail is very common. The British are less likely to seek legal advice and guidance than their U.S. counterparts, although a litigation culture is developing along the lines of the U.S. model – i.e. no win, no fee cases have recently been permitted.

Travel Advisory

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The State Department's Travel advisory for the United Kingdom can be found at:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1052.html

-- Safety and Security

The United Kingdom is stable and modern but shares with the rest of the world an increased threat of terrorist incidents (such as occurred with the tube and bus explosions on July 7, 2005), as well as violence related to the political situation in Northern Ireland (a part of the United Kingdom.) Americans are reminded to remain vigilant with regard to their personal security and to exercise caution.

In recent months, several more arrests have been made in Great Britain in connection with various possible terrorist plots. After the July bombings, the British Home Secretary has continued to urge UK citizens to be alert and vigilant, especially keeping an eye out for suspect packages or people acting suspiciously on public transport, at subway and train stations and airports, and reporting anything suspicious to the appropriate authorities by contacting the free confidential anti-terrorist telephone hotline on 0800 789 321. Americans traveling abroad should regularly monitor the Department of State's website at <http://travel.state.gov> where any current Worldwide Cautions or Public Announcements can be found. Americans traveling or residing abroad should register with the nearest U.S. Embassy or Consulate via the Department of State's registration website at <https://travelregistration.state.gov>.

From time to time during periods of heightened terrorism threats, the UK government deems it necessary to raise levels of security activity. Heightened activity may include the use of military personnel in support of the police and law enforcement officers. The use of troops, who remain at all times under the control of the police, is part of longstanding contingency plans. Military personnel and equipment may be deployed at airports and other transportation links, or other public locations. For more information about U.K. public safety initiatives, consult the U.K. Civil Contingencies Secretariat website at <http://www.ukresilience.gov.uk>

Political demonstrations are well policed and, except at times in Northern Ireland, generally orderly. Although the political situation in Northern Ireland has dramatically improved since the signing of the Good Friday Agreement in 1998, incidents of terrorist violence have, nevertheless, occurred in the past few years. Early in 2001, two explosive devices were detonated in London suburbs, injuring eight people and damaging buildings. Within Northern Ireland, flash-points for sectarian confrontations still exist, but they are generally removed from areas where tourists congregate. Sporadic incidents of street violence often erupt during the summer marching season (April to August), with tensions heightened during the month of July, especially around the July 12th public holiday. As a result, American citizens traveling in Northern Ireland have experienced delays and disruption.

-- Crime

While benefiting from generally low crime rates, the UK has recently experienced an increase in crimes, including those involving violence. Pick-pocketing, muggings, street thefts of watches, jewelry and mobile phones, and stealing unattended bags are increasingly common.

In London, travelers should use only licensed "black taxi cabs" or car services recommended by their hotel or tour operator. Unlicensed taxis, mini cabs, or private cars posing as

taxis may offer low fares, but are often uninsured and may have unlicensed and dangerous drivers. In some instances, travelers have been robbed and raped while using these cars.

Due to the circumstances described above, visitors should take steps to ensure the safety of their U.S. passports. Visitors in England, Scotland and Wales are not expected to produce identity documents for police authorities and thus may secure their passports in hotel safes or residences. In Northern Ireland, however, passports or other photographic I.D. should be carried at all times.

The loss or theft of a U.S. passport should be reported immediately to the local police and the nearest U.S. embassy or consulate. Contact details for the Embassy in London and the Consulates General in Belfast and Edinburgh are available on the Embassy website at: <http://london.usembassy.gov>

Visa Requirements

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Every U.S. citizen entering the UK must have a valid American passport. For stays of more than six months, U.S. citizens require visas or entry clearance. Visitors intending to remain in the UK longer than six months should check in advance with the British Embassy or the nearest British Consulate. The website of the British Embassy in the United States is <http://www.britainusa.com>.

Americans intending to seek employment in the UK should consult the British Embassy or a British Consulate in the U.S. to inquire about work permits. The Employment Service, an executive agency of the Department of Education and Employment, controls the employment of aliens in the UK. U.S. citizens wishing to obtain or extend a work permit should contact the Employment Service by phone on 011 44 1937 840224. A work permit is not a substitute for an entry clearance; both must be acquired by Americans intending to seek employment and remain in the UK for longer than six months.

Directors and employees of existing British subsidiaries of U.S. firms have encountered little difficulty in obtaining permission to enter and remain in the UK. Sending the technical personnel required to install and operate a plant or business generally poses no problem, though it is necessary to establish that British employees with the necessary qualifications are not available. The UK government has issued new regulations easing the entry of experts in emerging technologies from overseas.

The UK government has adopted the EU regulations governing the admission of non-EU business visitors and economic migrants to the UK, which limit the ability of some foreign nationals, including American citizens, to reside in the UK. The categories of persons adversely affected, to a lesser or greater extent, by the new immigration rules are self-employed persons, retired persons of independent means, business investors, and short-term business visitors. Entry may be denied to those who intend to perform productive services unless, a work permit has been issued in advance to their employer. The determination of who may be admitted as a consultant is decided on a case-by-case basis at ports of entry.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

Telecommunications

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The telecommunications system in the United Kingdom is comparable to the United States'. A direct-dial telephone system links the UK to the U.S. and the rest of the world. Calls on landlines can be charged to international telephone cards such as AT&T, MCI and Sprint. The UK has a highly developed mobile network. Visitors from the U.S. can readily rent or buy pre-pay mobile (cell) phones.

To call the UK from the United States, you should dial: 011 44 then the number of the individual or organization you are calling, but without the leading 0. For instance, the phone number for the U.S. Commercial Service in London is: 020 7408 8019. To call from the States, you should dial: 011 44 20 7408 8019.

To call the United States from the UK, dial: 00 1 then the number of the receiving party including their area code.

Transportation

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Many U.S. citizens are injured every year in pedestrian accidents in the UK, forgetting that traffic moves in the opposite direction than in the United States. Care should be taken when crossing streets.

The phone number for police/fire/ambulance emergency services - the equivalent of "911" in the U.S - is 999 in the UK.

-- Traffic Safety and Road Conditions

While in a foreign country, U.S. citizens may encounter road conditions that differ significantly from those in the United States. The information below concerning the UK is provided for general reference only, and may not be totally accurate in a particular location or circumstance.

The safety of public transportation, urban and rural road conditions and the availability of roadside assistance are all excellent compared with most foreign countries, although they are not generally up to the standard of some other European countries.

UK penalties for drunk driving are stiff and often result in prison sentences. Visitors

uncomfortable with or intimidated by the prospect of driving on the left-hand side of the road may wish to avail themselves of extensive bus, rail and air transport networks, although these can be expensive modes of travel. If you plan to drive while in the UK, you may wish to obtain a copy of The Highway Code, available in major bookstores and online at <http://www.highwaycode.gov.uk/>.

Rail transport in the UK is extensive, but poor track conditions have contributed to train derailments resulting in some fatalities in recent years. Repairs are underway and the overall safety record is otherwise good.

-- Aviation Safety and Oversight

The U.S. Federal Aviation Administration (FAA) has assessed the Government of the UK's Civil Aviation Authority as Category One - in compliance with international aviation standards for oversight of the UK's air carrier operations.

Travelers to and from the UK should be aware that penalties against alcohol-related and other in-flight crimes ("air rage") are stiff and are being enforced with prison sentences.

Language

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English is the official language of the United Kingdom. Welsh is spoken by a significant minority in Wales. Gaelic is spoken by a small minority in Scotland. In addition, there are many large communities in the UK whose first language is not English. Numerous languages are spoken in London, including thirty-three for which there are resident populations of 10,000 or more.

Health

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While good medical services are widely available, free care under the National Health System is allowed only to UK residents. Tourists and short-term visitors can expect charges that may be significantly higher than those assessed in the U.S.

U.S. medical insurance is not always valid outside the United States. U.S. Medicare and Medicaid programs do not provide payment for medical services outside the United States. Doctors and hospitals often ask non-residents to pay immediately for medical services, and uninsured travelers who require medical care may face extreme difficulties, unless they have the means to pay.

Check with your own insurance company to confirm whether your policy applies overseas, including provisions for medical evacuation, and for adequacy of coverage.

Generally, travel insurance cannot be purchased once you have departed the United States. Serious medical problems requiring hospitalization and/or medical evacuation to the United States can cost tens of thousands of dollars. Ascertain whether payment will be made to the overseas hospital or doctor or whether you will be reimbursed later for expenses you incur. Some insurance policies also include coverage for psychiatric treatment and for disposition of remains in the event of death.

Local Time, Business Hours, and Holidays

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England, Scotland, Wales, and Northern Ireland are all in the same time zone, five hours ahead of U.S. Eastern Standard Time.

Banking hours are generally 9:30 a.m. to 4:30 p.m., Monday through Friday, except on Thursdays when banks tend to stay open later. Offices are open from 9 a.m. until 5 p.m., Monday through Friday. Stores are generally open from 9 a.m. to 5:30 p.m., Monday through Saturday, and Sunday 10 a.m. to 4 p.m. At traditional vacation times, many British executives are unavailable except by advance appointment.

The following are the major UK public holidays in 2006:

New Year's Day	Monday, January 2
St. Patrick's Day***	Friday, March 17
Good Friday	Friday, April 14
Easter Monday*	Monday, April 17
May Day	Monday, May 1
Spring Bank Holiday	Monday, May 29
Orangeman's Day***	Wednesday, July 12
Orangeman's Day***	Thursday, July 13
Summer Bank Holiday**	Monday, August 7
Summer Bank Holiday*	Monday, August 28
Christmas Day*	Monday, December 25
Boxing Day*	Tuesday, December 26

* England, Wales, and Northern Ireland only

** Scotland only

*** Northern Ireland only

Temporary Entry of Materials and Personal Belongings

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Professional and demonstration equipment may be temporarily imported into the UK free of duty and tax under the Customs Convention on the Temporary Importation of Professional Equipment. For this, a carnet should be obtained from the U.S. Council of the International Chamber of Commerce.

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Chapter 9: Contacts, Market Research, and Trade Events

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- [Market Research](#)
- [Trade Events](#)

Contacts

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-- U.S. Embassy Trade Related Contacts

American Embassy
24/31 Grosvenor Square
London, W1A 1AE England
Tel: 011 44 20 7499 9000
Fax: 011 44 20 7491 4022
<http://www.usembassy.org.uk>

Address for U.S. mail:
American Embassy (London)
PSC 801
Box 33 (Commercial Service)
Box 27 (Economic Section)
Box 48 (Agriculture)
Box 54 (Defense)
FPO AE 09498

U.S. Commercial Service
Tel: 011 44 20 7408 8019
Fax: 011 44 20 7408 8020
E-mail: london.office.box@mail.doc.gov
<http://www.buyusa.gov/uk>

Commercial Representative in Northern Ireland:
U.S. Consulate General
Danesfort House
223 Stranmillis Road
Belfast BT9 5GR
Tel: 011 44 28 9038 6153
Fax: 011 44 28 9068 1301

Economic Section
Tel: 011 44 20 7408 8011
Fax: 011 44 20 7409 1637

Foreign Agricultural Service
Tel: 011 44 20 7894 0464 and 0040
Fax: 011 44 20 7894 0031

E-mail: aglondon@fas.usda.gov
<http://www.usembassy.org.uk/fas>

Office of Defense Cooperation (ODC)
Tel: 011 44 20 7894 0737
Fax: 011 44 20 7514 4634
<http://www.usembassy.org.uk/odc/index.html>

The European Bank for Reconstruction & Development
U.S. Commercial Service
Tel: 011 44 20 7588 4027 and 4028
Fax: 011 44 20 7588 4026

-- Bilateral Business Councils:

BritishAmerican Business Inc.
75 Brook Street
London W1K AD, UK
Tel: 011 44 20 7467 7400
Fax: 011 44 20 7493 2394
www.babinc.org

For information about the other British American Business Council chapters in the UK and the U.S., please visit: www.babc.org

-- UK Trade and Industry Associations

The UK's trade associations are too numerous to list in a report of this nature. Those organizations specifically identified in preceding chapters are listed below. In addition, there is information on the Trade Association Forum, with links to virtually all of the trade and industry associations in the UK.

Trade Association Forum
Centre Point
103 New Oxford Street
London, WC1A 1DU
Tel: 020 7395 8283 / 020 7395 8238
Fax: 0207 395 8178
www.taforum.org

British Chambers of Commerce
1st Floor
65 Petty France
St James Park
London SW1H 9EU
Tel: 011 44 20 7654 5800
Fax: 011 44 20 7654 5819
www.britishchambers.org.uk

International Chamber of Commerce
12 Grosvenor Place
London SW1X 7HH
Tel: 011 44 20 7838 9363
Fax: 011 44 20 7235 5447
www.iccuk.net

Confederation of British Industry (CBI)
Centre Point
103 New Oxford Street
London WC1A 1DU
Tel: 011 44 20 7379 7400
Fax: 011 44 20 7379 0945
www.cbi.org.uk

British Bankers' Association
Pinnars Hall
105-108 Old Broad Street
London EC2N 1EX
Tel: 011 44 20 7216 8800
Fax: 011 44 20 7216 8811
www.bba.org.uk

Direct Marketing Association
DMA House
70 Margaret Street
London W1W 8SS
Tel: 011 44 20 7291 3300
Fax: 011 44 20 7323 4165
www.dma.org.uk

Advertising Standards Authority
2 Torrington Place
London WC1E 7HW
Tel: 011 44 20 7580 5555
Fax: 011 44 20 7631 3051
www.asa.org.uk

-- UK Government Offices

UK government websites are readily identified and accessed via the official portal:
www.direct.gov.uk

UK Trade & Investment
Department of Trade & Industry
Kingsgate House
66-74 Victoria Street
London SW1E 6SW
Tel: 011 44 20 7215 8000
Fax: 011 44 20 7828 1281
www.uktradeinvest.gov.uk

UK Trade & Investment: USA

Atlanta Tel: (404) 954 7700
Cambridge Tel: (617) 245 4500
Chicago Tel: (312) 970 3800
Dallas Tel: (214) 521 4090
Houston Tel: (713) 425 6300
Los Angeles Tel: (310) 481 0031
Miami Tel: (305) 374 1522
New York Tel: (212) 745 0495
Phoenix Tel: (602) 387 5092
Seattle Tel: (206) 622 9255
Washington, D.C. Tel: (202) 588 6500

Embassy of Great Britain
3100 Massachusetts Avenue
Washington, D.C. 20008
Tel: (202) 462 1340
Fax: (202) 898 4255
www.britainusa.com

Department of Trade and Industry
1 Victoria Street
London SW1H 0ET
Tel: 011 44 20 7215 5000
Fax: 011 44 20 7222 0613
www.dti.gov.uk

- General Inquiries

Consumer Affairs Division 1A
Department of Trade and Industry
10-18 Victoria Street
London SW1H 0NN
Tel: 011 44 20 7215 0332
Fax: 011 44 20 7215 0315
- Packaging and Labeling Requirements

HM Board of Customs and Excise
Tel: 011 44 20 7620 1313
Fax: 011 44 20 7865 4945
- Customs and Rules/Regulations for the UK

HM Stationery Office Bookshop
49 Holborn
London WC1V 6HB
Tel: 011 44 20 7873 0011
(UK equivalent of the U.S. Government Printing Office)
U.S. Representative: Kraus-Thompson Publishers
Tel: (914) 762 2200

Office for National Statistics
1 Drummond Gate
London SW1V 2QQ
Tel: 011 44 845 601 3034
www.statistics.gov.uk
- Statistical Information

Home Office
Direct Communications Unit
2 Marsham Street
London SW1P 4DF
Telephone: 011 44 207 035 4848
Fax: 011 44 20 7035 4745
- Work Permits, Consular Matters

Department of the Environment, Food & Rural Affairs (DEFRA)
Nobel House
17 Smith Square
London SW1P 3JR
Tel: 011 44 20 7238 6000
- Environmental Regulations

Department of Health
Richmond House
79 Whitehall
London SW1A 2NL
Tel: 011 44 20 7210 4850
www.dh.gov.uk
- Medicines Licensing and Regulation

Patent and Trademark Office
Concept House
Cardiff Road
Newport NP9 1RH
Tel: 011 44 1633 813930
Fax: 011 44 1633 813600
www.patent.gov.uk
- UK Patents

Bank of England
Threadneedle Street
London EC2R 8AH
Tel: 011 44 20 7601 4444
www.bankofengland.co.uk
- Central Bank

The House of Commons
Houses of Parliament
London SW1A 0AA

Tel: 011 44 20 7219 3000

-- UK Commercial Banks

Barclays Bank PLC
54 Lombard Street
London EC3P 3AH
Tel: 011 44 20 7626 1567
Fax: 011 44 20 7488 0020

HSBC Bank PLC
10 Lower Thames Street
London EC3R 6AE
Tel: 011 44 20 7260 8789
Fax: 011 44 20 7620 4829

Lloyds TSB Bank PLC
71 Lombard Street
London EC3P 3BS
Tel: 011 44 20 7626 1500
Fax: 011 44 20 7523 3444

National Westminster Bank PLC
41 Lothbury
London EC2P 2BP
Tel: 011 44 20 7726 1000
Fax: 011 44 20 7726 1035

-- Multilateral Development Banks

European Bank for Reconstruction and Development
One Exchange Square
London EC2A 2JN
Tel: 011 44 20 7338 6000
Fax: 011 44 20 7338 6100

-- U.S. Department of Commerce

UK Desk Officer
Office of European Affairs
International Trade Administration
Room 3515
Washington, DC 20230
Tel: 202 482 3748
Fax: 202 482 2897

Trade Information Center
International Trade Administration
U.S. Department of Commerce
Washington, DC 20230
Tel: 1-800-USA-TRADE

Fax: 202 482 4473
Email: TIC@ita.doc.gov
www.trade.gov/td/tic

-- U.S. Department of Agriculture:

Foreign Agricultural Service
Information and Assistance
Tel. (202) 720-2791

-- Export-Import Bank of the U.S.

Washington DC Office
811 Vermont Ave., NW
Washington, DC 20571
Tel: 202 565 3946
Fax: 202 565 3380
www.exim.gov

Market Research

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The U.S. Commercial Service in London plans to complete the following reports in 2006.

SECTOR	TITLE	DELIVERY DATE	CONTACT
Aerospace/ Defense	An Overview of the UK Aerospace Market	April 28, 2006	Jestyn.Cooper@ mail.doc.gov
	An Overview of the UK Defense Market	March 31, 2006	Jestyn.Cooper@ mail.doc.gov
	Public-Private partnerships in Defense: The UK MoD and PPP/PFI	November 30, 2006	Jestyn.Cooper@ mail.doc.gov
Automotive	An Overview of the UK Automotive Market	October 31, 2006	Richard.Stanbridge@ mail.doc.gov
Building/ Construction	The UK Market for Building Materials	September 30, 2006	Cheryl.Withers@ mail.doc.gov
Consumer Goods	The UK Market for Color Cosmetics and Fragrances	May 31, 2006	Sara.Jones@ mail.doc.gov
	The Jewelry and Luxury Watch Market in the UK	August 31, 2006	Sara.Jones@ mail.doc.gov
	The UK Pet Product Market	August 31, 2006	Marcella.Marcheso@ mail.doc.gov

Environment	Municipal Waste Recycling Opportunities in the UK	November 30, 2006	Cheryl.Withers@mail.doc.gov
Franchising	Franchising in the UK	April 28, 2006	Marcella.Marcheso@mail.doc.gov
Healthcare	The UK Healthcare Market: An Overview	February 28, 2006	Tatiana.Russo@mail.doc.gov
	The UK Laboratory Equipment Market	September 29, 2006	Tatiana.Russo@mail.doc.gov
	The OTC Market in the UK	April 28, 2006	Tatiana.Russo@mail.doc.gov
Safety/Security	The UK Airport Security Market	May 31, 2006	Lisa.Cogan@mail.doc.gov
Services	The UK Education Market: Special Needs	May 31, 2006	Cheryl.Withers@mail.doc.gov
Software	The Growth of TCP/IP-based Services	September 29, 2006	Scott.Hodgins@mail.doc.gov
Telecom	Convergence in the UK IT/Telecommunication Market	March 31, 2006	Scott.Hodgins@mail.doc.gov
	UK Uptake of Digital Technologies	November 30, 2006	Scott.Hdgins@mail.doc.gov
Tourism/ Entertainment	2006 UK Travel Industry Review	August 31, 2006	Stewart.Gough@mail.doc.gov
	The UK Entertainment Industry: An Overview	April 28, 2004	Stewart.Gough@mail.doc.gov
	2006 UK Music Industry Review	September 29, 2006	Stewart.Gough@mail.doc.gov

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

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Listed below are the events in which the U.S. Commercial Service UK plans to participate in 2006.

- Professional Beauty Show
Product Literature Center
London
March 5-7, 2006
Contact: Sara.Jones@mail.doc.gov

- Oceanology International
Product Literature Center
London
March 21-23, 2006
Contact: Jestyn.Cooper@mail.doc.gov
- Infosec
Product Literature Center
London
April 17-19, 2006
Contact: Scott.Hodgins@mail.doc.gov
- Interbuild
Product Literature Center
Birmingham
April 23-27, 2006
Contact: Cheryl.Withers@mail.doc.gov
- Naidex
Product Literature Center
Birmingham
May 24-26, 2006
Contact: Tatiana.Russo@mail.doc.gov
- Intersec
Product Literature Center
Esher
June 6-8, 2006
Contact: Lisa.Cogan@mail.doc.gov
- Farnborough Air Show
Trade Fair and Product Literature Center
Hampshire
July 17-23, 2006
Contacts: Richard.Stanbridge@mail.doc.gov
Jestyn.Cooper@mail.doc.gov
- World Travel Market 2006
Product Literature Center
London
November 7-10, 2006
Contact: Stewart.Gough@mail.doc.gov

Please click on the link below for additional information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/uk/en/>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.